



# **MSUKALIGWA MUNICIPALITY**

**MP302**

**2013-2014  
FINAL ANNUAL BUDGET**



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## QUALITY CERTIFICATE

I **THAMI BAFANA WELKOM DLAMINI** municipal manager of **MSUKALIGWA MUNICIPALITY**

hereby certify that the **FINAL BUDGET for 2013/2014** Financial Year have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name : **THANIDIWE MAGGY LENGWATE**

Chief Financial Officer : **MSUKALIGWA MUNICIPALITY**

Signature:  .....

Date: 2013-05-28 .....

Print Name: **THAMI BAFANA WELKOM DLAMINI**

Municipal Manager: **MSUKALIGWA MUNICIPALITY**

Signature:  .....

Date: 2013-05-28 .....



**Mayoral Budget Speech**

The purpose of the speech will be to provide a high-level summary of the budget that draws on the executive summary and highlights key deliverables during the next three years. The speech will address certain fundamental issues, including the eradication of service delivery backlogs, commencement of new programmes and projects.)

The mayor herewith tables the following report:

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## CORPORATE SERVICES DEPARTMENT

### Certified Council Resolution

Council at its 8<sup>TH</sup> Ordinary Council Meeting held on May 28, 2013 under:

**LM 374 (c) /05/2013 STATEMENT OF COMMUNICATION BY THE EXECUTIVE MAYOR: BUDGET SPEECH**

### **RESOLVED AS FOLLOWS:**

"Speaker, Chief Whip, Fellow Councillors, Inkosi uMahlangu, MM, CDWs, Ward Committee Members, Media, members of the Community, distinguished guests, ladies and gentlemen;

It is again the time of the year when we have to come to this important chamber to present a budget for the coming financial year. A budget which is a culmination of many public consultation meetings with our communities across the length and breadth of our municipality. Indeed, this is yet another policy instruments of the ANC-led government to push back the claws of the repressive laws of apartheid that still continue to trap our people in the vicious cycle of poverty, inequality and unemployment.

Honorable Councillors, this budget also represents the ANC's resilient effort to systematically improve the living standards of our people, which were deliberately neglected under the white supremacist regime. It is a budget that seeks to continue building and improving the infrastructure necessary to carry our people into a sustainable and prosperous future.

Mr. Speaker, as we all know we meet today when our municipality is still caught in the water crisis that has caused so much suffering for our people! However, we are satisfied to report that the emergency pipeline will be commissioned anytime soon and this challenge will be a thing of the past.

Councillors allow me to take this opportunity to extend our sincerest appreciation and gratitude to our communities for their patience and understanding during this difficult period. Some of the anger and concern directed at the municipality, rightly or wrongly, have been fully justified! We promise that we are working to ensure contingency measures are in place so that we do not suffer the same fate in the future.

From this background, honorable Councillors, I think it is befitting to invoke an advice from simple and time-tested wisdom and I quote that "a true leader is someone who adds value to society". And I believe that both the political and administrative leadership of our institution will use both collective efforts and wisdom through this

## **1. PURPOSE**

The purpose of this item is to table before Council the draft MTREF budget for the financial year 2013/2014, including the two out years for both operating and capital expenditure for noting and approval.

## **2. INTRODUCTION**

The strategy and process mapped out in this document will serve as a guideline to all departments for the compilation of operational business plans and budgets and will be followed by the Council for the 2013/2014 budgets.

## **3. LEGAL REQUIREMENTS**

This item has been compiled in accordance with the Local Government: Municipal Finance Management Act (MFMA), Act no 56 of 2003 and National Treasury Circulars set out below.

- MFMA Circular No. 54 - Budget Content and Format 2011/2012 MTREF
- MFMA Circular No 55 - Budget Content and Format 2011/2012 MTREF
- MFMA Circular No. 58 - Budget Content and Format 2013/2014 MTREF
- MFMA Circular No 59- Budget Content and Format 2013/2014 MTREF
- MFMA section 15-27

The relevant prescriptions of the MFMA section 15 – 19 deals with the budget content and 20 to 27 with administrative matters. The relevant sections for discussion of the budget are as follows

## **4. APPROPRIATION OF FUNDS FOR EXPENDITURE**

- 4.1. A municipality may, except where otherwise provided in this Act, incur expenditure only-
  - 4.1.1. in terms of an approved budget; and
  - 4.1.2. within the limits of the amounts appropriated for the different votes in an approved budget.

## **5. ANNUAL BUDGETS**

- 5.1. The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.
- 5.2. In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.
- 5.3. Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

## **6. CONTENTS OF ANNUAL BUDGETS AND SUPPORTING DOCUMENTS**

- 6.1. An annual budget of a municipality must be a schedule in the prescribed format-
- 6.2. setting out realistically anticipated revenue for the budget year from each revenue source;
- 6.3. appropriating expenditure for the budget year under the different votes of the municipality;
- 6.4. setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;
- 6.5. setting out-
  - 6.5.1. estimated revenue and expenditure by vote for the current year; and
  - 6.5.2. actual revenue and expenditure by vote for the financial year preceding the current year; and
  - 6.5.3. a statement containing any other information required by section 215(3) of the Constitution or as may be prescribed.
- 6.6. An annual budget must generally be divided into a capital and an operating budget in accordance with international best practice, as may be prescribed.
- 6.7. When an annual budget is tabled in terms of section 16(2), it must be accompanied by the following documents:
  - 6.7.1. Draft resolutions-
    - 6.7.1.1. approving the budget of the municipality;
    - 6.7.1.2. imposing any municipal tax and setting any municipal tariffs as may be required for the budget year; and
    - 6.7.1.3. approving any other matter that may be prescribed;
    - 6.7.1.4. measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the municipality's integrated development plan;
    - 6.7.1.5. a projection of cash flow for the budget year by revenue source, broken down per month;
  - 6.7.2. any proposed amendments to the municipality's integrated development plan following the annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act;
  - 6.7.3. any proposed amendments to the budget-related policies of the municipality;
  - 6.7.4. particulars of the municipality's investments;

- 6.7.5. any prescribed budget information on municipal entities under the sole or shared control of the municipality;
- 6.7.6. particulars of all proposed new municipal entities which the municipality intends to establish or in which the municipality intends to participate;
  - 6.7.6.1. particulars of any proposed service delivery agreements, including material amendments to existing service delivery agreements;
- 6.7.7. particulars of any proposed allocations or grants by the municipality to-
  - 6.7.7.1. other municipalities;
  - 6.7.7.2. any municipal entities and other external mechanisms assisting the municipality in the exercise of its functions or powers.
  - 6.7.7.3. any other organs of state;
  - 6.7.7.4. any organisations or bodies referred to in section 67(1);
- 6.7.8. the proposed cost to the municipality for the budget year of the salary, allowances and benefits of-
  - 6.7.8.1. each political office-bearer of the municipality;
  - 6.7.8.2. councillors of the municipality; and
  - 6.7.8.3. the municipal manager, the chief financial officer, each senior manager of the municipality and any other official of the municipality having a remuneration package greater than or equal to that of a senior manager;
  - 6.7.8.4. the proposed cost for the budget year to a municipal entity under the sole or shared control of the municipality of the salary, allowances and benefits of-
    - 6.7.8.4.1. each member of the entity's board of directors; and
    - 6.7.8.4.2. the chief executive officer and each senior manager of the entity; and
    - 6.7.8.4.3. any other supporting documentation as may be prescribed.

## **7. FUNDING OF EXPENDITURE**

- 7.1. An annual budget may only be funded from:
  - 7.1.1. realistically anticipated revenues to be collected;
  - 7.1.2. cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
  - 7.1.3. borrowed funds, but only for the capital budget referred to in section 17(2).
- 7.2. Revenue projections in the budget must be realistic, taking into account-
  - 7.2.1. projected revenue for the current year based on collection levels to date; and
  - 7.2.2. actual revenue collected in previous financial years.

## **8. CAPITAL PROJECTS**

- 8.1. A municipality may spend money on a capital project only if-
  - 8.1.1. the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality, has been appropriated in the capital budget referred to in section 17(2);
  - 8.1.2. the project, including the total cost, has been approved by the council;
  - 8.1.3. section 33 has been complied with, to the extent that that section may be applicable to the project; and
  - 8.1.4. the sources of funding have been considered, are available and have not been committed for other purposes.
- 8.2. Before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider-
  - 8.2.1. the projected cost covering all financial years until the project is operational; and
  - 8.2.2. the future operational costs and revenue on the project, including municipal tax and tariff implications.
- 8.3. A municipal council may in terms of subsection (1)(b) approve capital projects below a prescribed value either individually or as part of a consolidated capital programme.

## **9. BACKGROUND**

As budgeting is central to the process of prioritisation for service delivery and the management of functions within the Municipality, it is eminent that Council, in conjunction with management, determines strategic budget objectives.

The challenges facing the municipality is to find the means to continue to deliver services to the community whilst also improving and expanding the current services to meet increasing needs. The solutions to this challenge from a management perspective are vested in:-

- Increasing productivity;
- Re-prioritising developmental projects and services; and
- Increasing revenue through, inter alia, innovative means of funding service delivery.

The Municipality must also maintain its assets to ensure viable and sustainable service delivery. Similarly, it must maintain its financial capacity and resources to enable the delivery of services and honouring of development obligations.



The budget process is a continuous cycle of planning, implementing, monitoring and reporting. The budget process involves activities relating to at least three budget years simultaneously. The process involves simultaneously assessing how the Municipality is managing the closure of the previous financial year budget, the monitoring of the current year budget and the planning for the next three years' budgets, linked with the IDP.

The MFMA, inter alia, provides that the involvement of Councillors in the budgeting and financial management processes will be:-

- Continuous consultation with the community and other stakeholders in the planning of services and reviewing of performance;
- Ensuring that the budget allocates resources in line with the Council's policy objectives and priorities and the needs of the community;
- Ensuring that the budget is realistic and financially sound before approving the budget and any adjustments;
- Evaluating periodic reports on performance of the budget related to developmental and service delivery plans; and
- Formal reporting activities through annual reports and audited financial statements.

By focusing on these critical aspects, Councillors will be able to provide appropriate political leadership and direction to the Municipality's operations, oversee the preparation of budgets and achievement of financial and non-financial objectives expressed in the budget and IDP.

Council further faces the challenges of guiding, combining, integrating, co-ordinating policies and planning of budgeting processes. Through the joint efforts of politicians, ward committees, citizens and officials, budgets should reflect the needs of the community. The goal is also to empower managers with timeous financial information throughout the year and for Council to take preventative action before a crisis arises.

A comprehensive discussion of the budget process can be read in Chapter 4 of the MFMA and National Treasury MFMA Circulars No 10 and 19. A summarised operational flow of the budget process, as per the notes on the Budget Reform Process, is attached hereto as Annexure A

## **10. STRATEGIC FOCUS AREAS AND MUNICIPAL PRIORITY ISSUES**

Municipal budgets must reflect policy priorities determined by Councillors who are elected representatives of the community. It is essential that the Municipality by means of the IDP planning process identify the strategic focus areas and prioritise strategic issues.

The priorities are in addition to the departmental objectives presented during the strategic alignment workshop. It is recommended that the Council reconfirm these strategic municipal priority issues to guide the Municipal Manager and other Directors in compiling their respective operational plans and budgets. Council should also place emphasis on the strategic focus areas and objectives through clear and measurable outputs and derived outcomes that will give clear guidelines to the administration on what has to be achieved. The budget allocations can then be based on these outputs and outcomes.

## **11. OPERATIONAL PLANS**

The absence of detailed operational plans with measurable objectives and outputs results in a budget that simply allocates funds based on previous year's allocations. The preparation of operational plans is subject to Council clearly stating the priorities and targets to be achieved over the next three years to meet community needs. Departments must align their operational plans with the strategic municipal priority issues and identified outcomes and targets of Council.

The strategic municipal priority issues will facilitate the evaluation of existing operations so that Council may determine, if necessary, to continue with all existing functions of a department and to what extent the Municipality desires to continue with same. The functions should also be listed in order of priority to enable Council to consider, where necessary, which functions/activities to increase, scale down and/or abolish.

Detailed operational plans will assist Management with the compilation of the Capital and Operating Budget. After Council has confirmed its strategic municipal priorities issues and determined the outcomes and service targets to be achieved, Directors must prepare and submit operational plans to Council for consideration and approval. These plans should cover at least the following:-

- Measurable objectives;
- Service delivery strategies;
- Key outputs; and

- Performance /service delivery indicators and targets.

Upon approval of the annual budget the Municipal Manager should ensure that Service Delivery and Budget Implementation Plans (SDBIP), in accordance with the MFMA and National Treasury MFMA Circular No 13, be compiled and submitted to the Mayor for approval before commencement of the new financial year. In accordance with the MFMA, these SDBIP's should also form part of the performance agreements of all managers appointed on contract in terms of Section 57 of the Municipal Systems Act (MSA).

## 12. GENERALLY RECOGNISED ACCOUNTING PRACTICES (GRAP)

The implementation of GRAP played a significant role in the compilation of the Capital and Operating Budgets. The updating of Council's asset register, the financing of assets and the relocation of funds and reserves are some of the key issues that need to be addressed.

## 13. GENERAL NOTES ON ANNUAL BUDGETS

The annual budget approved by Council must at least contain the following:-

- A balanced operating budget containing expenditure details and realistically anticipated revenue (actual revenue collected matches actual expenditure incurred);
- A balanced budget for capital expenditure that is within realistic funding already secured, together with the projected future financial implications of such capital expenditure;
- Details of borrowing intentions and other liabilities that will increase the Municipality's debt;
- Audited actual results for the previous year; and
- Projected budget outcomes for the current financial year, next year's budget and the outer two years.

In layman's terms, the budget of the Council consists of the operational budget (revenue and expenditure) and the capital budget. The budget must, within the available resources, reflect the Council's IDP and how it will be funded. The MFMA requires Council to approve at least a three-year operating and capital budget.

- Municipalities must aim to ensure that revenue projections are accurate, realistic and collectable.
- The guideline growth limits are only for self-generated revenue sources. It excludes the increased national allocations provided for the purposes of expanding infrastructure and providing basic services to more households.
- Municipalities are requested to ensure that tariff increases remain within the inflation band of between 3 and 6 percent. Any increases in municipal rates and tariffs above the guideline growth limits must be fully motivated and explained to the local and business communities.
- Municipalities are obliged to ensure that their budgets are balanced and all expenditure is fully funded.
- Municipalities must ensure that the IDP is revised and linked to resource allocations in the budget.
- To achieve national objectives, municipalities should also strive to alter the composition of their budgets by spending more on capital and basic services and less on personnel and administration and improve the quality of spending. Municipalities are expected to maintain a clear focus on expanding infrastructure investments to encourage economic growth potential, adding impetus to the national priorities for improved spending in this area.
- On the operating side, it is important to continue to strive to achieve efficiency and productivity gains whilst being mindful of the implication that rapid growth in salaries & allowances will mean for service delivery.
- When preparing the annual budget, the Mayor must take into account the national budget, the relevant provincial budget, the national governments fiscal and macroeconomic policy, the annual Division of Revenue Act and any agreements reached in the Budget Forum. This is in addition to consultation with the community and other stakeholders, including district and all local municipalities within the district.

To ensure that a credible budget is compiled it is important to note the following extract from National Treasury MFMA Circular no 28:-

- "Amongst other things, a credible budget is a budget that:
- Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;
- Is achievable in terms of agreed service delivery and performance targets;
- Contains revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions;

- Does not jeopardise the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

**A budget sets out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic. Furthermore, budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget."**

#### 14. ANNUAL OPERATING AND CAPITAL ADJUSTMENT BUDGET METHODOLOGY

The operational budget is the financial plan, which the Council uses to effect sustainable service delivery within the guidelines of the Council and in terms of affordability. The operational budget also serves as a comprehensive, detailed statement in which the municipality shows how much it intends to spend on the rendering of each service during a particular financial year. The development of the budget will be undertaken using the following divisions:-

#### 15. Departments

Revenue and Expenditure categories; and  
Revenue and Expenditure line items.

The purpose of this type of budgeting is to facilitate control over revenue and expenditure.

The incremental budgeting technique is generally accepted as the basis of cost-orientated budgeting. However, it is of utmost importance that Council ensures an in-depth reviewing of its revenue budget and the goals for each category on an annual basis.

It is also important that the level of spending always be limited by the availability of revenue. Therefore, when the expenditure budget is compiled, the ability of the consumers to pay must always be taken into consideration. New operations and expansion of operations on the operating budget should therefore be motivated to Council before inclusion in the operating budget. Such operations must be included in departmental operational plans.

#### 16. Operating Revenue Budget

The Council must determine what the total realistic revenue for the Municipality in the new financial year will be. Using actual levied revenue for the first six months of the current financial year and projecting these figures up to the end of the current financial year will determine such possible revenue. This calculation must further be based on realistic and affordable tariff increases.

It is policy of the Council to avoid major price increases for services as it has a negative impact of removing a portion of the consumers' disposable income. However, to be able to provide services and fulfil its responsibilities, the Municipality will have to obtain additional revenue from tariff increases on the various services provided as well as assessment rates. Revising the tariffs consideration was taken as follows:

When municipalities and municipal entities revise their rates, tariffs and other charges for their 2012/13 budgets and MTREF, they need to take into account the labour (i.e. the wage agreements with unions) other input costs of services provided by the municipality or entity, the need to ensure financial sustainability, local economic conditions and the affordability of services, taking into consideration the municipality's indigent policy. Municipalities should also take into account relevant policy developments in the different sectors (such as the *inclining block tariff* (IBT) proposals from National Energy Regulator of South Africa (NERSA).

Municipalities should continue to explore appropriate ways of structuring the tariffs for utility services to encourage more efficient use of these services and to generate the resources required to fund the maintenance, renewal and expansion of the infrastructure required to provide the services.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the increases of poor households, other customers and ensuring the financial sustainability of the municipality. For this reason municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target.

In determining the level of revenue and possible changes to tariffs, the amount of possible bad debt must also be determined and provided for.

Employee remuneration and related employee cost forms a significant portion of the total operational expenditure budget. It is therefore of utmost importance that the South African Local Government Bargaining Council (SALGBC) agreement on salary increases and its impact on the remuneration budget is taken into account before final tariff increases are determined annually.

The revenue of the Council is derived from several sources. For budgeting purposes the revenue from the various sources is set out below:-

#### **16.1. Grants and Subsidies**

This item consists of subsidies for infrastructural projects( water, sanitation and roads) as well as inter-governmental contributions in the form of equitable share contributions, finance manage grant, water operating subsidy and others as may be determined from time-to-time

#### **16.2. Consumer Revenue**

Consumer revenue consists of income generated from the sale of and water, electricity, (trading services) and from amounts levied for sewerage and refuse removal (economical services). With reference to each of the services the following should be noted:-

- 16.2.1. Water, electricity, sewerage and refuse removal services, as trading services, should be operated to generate a surplus of at least 10%. In the case of the Municipality the cost of supply of water is very low and as such a more significant surplus would still be in order

#### **16.3. Other Revenue**

Departments that provide services, other than consumer services listed above, must at least recover the costs and may generate a surplus. The services include emergency services and fire fighting, etc

### **17. Operating Expenditure Budget**

The expenditure framework must be based on the strategic plans/ IDP, the functional operational plans and the revenue framework.

- 17.1. Where possible, the zero-based budgeting technique is applied to categories of expenditure. This will ensure that an in-depth review of revenue, expenditure and the targets for each category is undertaken during the budget process, resulting in a credible three-year budget, not merely based on an incremental approach. The zero-based type of analysis where all activities are open to review at budget time also allows an opportunity to reallocate resources and avoid continuous growth in budgeted expenditure.

#### **17.2. The following elements have a major impact on the formulation of the expenditure budget:-**

- 17.2.1. Employee remuneration and related employee cost projections;
- 17.2.2. Repairs and maintenance;
- 17.2.3. Interest and redemption requirements to service borrowings;
- 17.2.4. Contributions from the operating budget for capital expenditure; and
- 17.2.5. Provision for long-term liabilities and other commitments.

- 17.3. A factor that must be included in the preparation of the operational plans is motivations in cases where ongoing commitments and planned work exist. The Council therefore requires that all activities be continuously justified in terms of their outcomes and whether they still meet the Council's strategic priority issues as well as past performance. In other words, an activity that is not performing may be required to be reduced rather than to receive an increased allocation of funds

- 17.4. The expenditure budget sets out the operating expenses and cash outflows to both internal and external sources. The total expenditure should be reconciled with the cash flow budget. The expenditure budget consists of operating service delivery items and provides inter alia for the following:-

##### **17.4.1. Salaries and Wages – Employee Related Costs**

Salaries and wages consist of all remuneration in cash and in kind to employees in return for work performed. This includes allowances and other benefits paid as part of conditions of employment, except social contributions. Social contributions are payments, actual or imputed, made to social insurance schemes to obtain entitlement to social benefits for employees. Employer contributions into a pension fund are an example of a social contribution. Another example is contributions to a medical aid scheme.



It does not include costs of training courses (shown under General Expenses) and costs of contractors. The remuneration of Councillors, including possible full-time Councillors, is also not included in this category as they are not employees of the Municipality. However, the costs relating to contractors who are engaged under the Municipality's basic conditions of service are included – these are essentially employees on fixed term contracts such as all managers appointed on contract in terms of Section 57 of the MSA.

The amount to be budgeted in the capital budget for employee costs must also be reflected and deducted from salaries and wages. It is shown as a contra entry under salaries to avoid double counting operating expenses in Contribution from Operating – Capital Outlays. All capitalised expenditure will be included in the capital budget and therefore any operating expenses such as salaries and wages that are capitalised (thus being part of the capital budget) should be deducted from operating expenses in the operating statement.

#### 17.4.2. General Expenses

This section must include all expenses that will be necessary for the Municipality to carry out operations or activities that are not classified under one of the other expenditure groups. Set out below are some of the common general expenditure items:-

- Councillor Allowances: All the costs associated with the remuneration of Councillors, including their allowances and any other benefits paid, is showed in this section as a separate expense. The additional Councillor allowances as promulgated are budgeted for.
- Bulk Purchases: The expenditure for the bulk purchase of electricity and the departmental usage of municipal services is included under this heading. Additional cost for electricity is provided for. The loss on the sale of electricity should be investigated as the additional cost realised as expected but not the additional income budgeted.
- Working Capital Reserve: This is the value of monies unable to be recovered. Each year an estimate should be made of the expected write-off value to be included in this item of the budget. Actual debt written off is an expense to the municipality. Working capital reserve relates to revenue, which is levied, but not paid and cannot be recovered through legal avenues or where costs of recovery might greatly exceed the revenue recoverable. The quantum of this item would relate directly to the revenue collection ratio. For example, if the municipality expects that it will only be able to collect 90 percent of all revenue raised it will include an amount under this item equal to 10 percent of the total revenue raised.
- Collection Costs: This item reflects all costs directly incurred in the recovery of revenue that will not be paid in accordance with an invoice or consumer account and in terms of Council Policies. These costs include commissions and fees charged by debt collection agencies and all costs for legal actions taken to recover debts not debited to the customer. Adequate provision is made as part of the Bad Debt provision.
- Depreciation (GRAP): The full implementation of GRAP is dependent on the identification and recording of assets and their current values. In terms of GRAP, depreciation will be charged as an expense on all fixed assets. As this is not a cash transaction, it has the effect of creating a provision/reserve by reducing the amount in the surplus available for distribution. Accumulated depreciation indicates how much of the assets have been expensed. Adequate provision for depreciation reserve exists. No adjustment is required.
- Contracted Services: This expenditure relates to payments for services provided by external entities. These services may also be referred to as "outsourced services". Entities rendering these services are not Council owned entities or municipal entities but are independent businesses. The two main types are set out below.
  - Services provided to external parties – where the Municipality contracts out the rendering of services such as refuse removal or electricity supply; and
  - Services provided for the internal functioning of the Council, i.e. corporate services such as internal audit or information technology.

The services may be wholly or partly provided by the external entity. An example of shared service providers could be where an in-house section collects household refuse while a contractor services residential and

business customers. Another example could be where a refuse collection service involves an in-house administrative section with a contractor carrying out actual collections.

The Municipal Manager and Chief Financial Officer should ensure that service level agreements are drafted and monthly reports be obtained for all contracted services. The level of service and value for money should be constantly reviewed.

- Deficit on sale of assets (GRAP): In terms of GRAP, the sale of assets will generate either a surplus or a deficit. If the proceeds received on disposal of an asset are greater than the book value of the asset, then a surplus is realised. If the proceeds received are less than the book value, then a deficit will be realised:-
  - A surplus on a sale will be recorded as income/revenue.
  - A deficit on a sale will be recorded as an expense.

The performance of the financial instruments remains constant and no additional loss is expected. The sale of redundant equipment and stock can provide additional income. It is critical that the Municipality dispose of the redundant and obsolete stock and equipment for GRAP and compliance issues.

#### 17.4.3. **Repairs and Maintenance**

This item must include all labour and material costs for the repair and maintenance of the assets of the Municipality. It must include both contracted services and services performed by employees. The total cost of asset maintenance is disclosed in this item to enable an evaluation of asset performance.

It is critical that the asset maintenance plans for all assets with the value of R 250 000 and above be submitted by the departments as part of the IDP and budget process for 2013/2014

Expenditure that maintains an asset in good working order, to ensure asset performance and the useful life originally expected, is not capital and must be shown under this item. "Total Asset Management" requires that a schedule of programmed maintenance should be developed for all assets of the municipality. This ensures that the asset maintains optimal performance and the municipality obtains maximum flow of economic benefits from employment of the asset over its optimum life.

The deferral of maintenance expenditure on assets has the effect of increasing future maintenance costs and also has potential for reducing the economic life of the asset and hence the flow of economic benefits. Deferrals should be indicated clearly in the operational plans.

In determining the estimates under this section, the following should be provided for:-

- New assets to be produced/acquired in the course of the budget year and which would require repairs.

Capital assets to be sold or disposed of in the course of the year and which would not require further maintenance.

#### 17.4.4. **Capital Charges**

This section must include the following:-

- Interest on internal loans paid by a functional unit or entity to the financing arm of the Municipality for loans that have been obtained for the capital employed in that function of the organisation. The expenditure for internal interest should be offset by the total income.
- Redemption on internal loans in respect of amounts transferred in redemption of internal loans. The expenditure for internal redemption should be offset by the total income.
- Interest expenses on external borrowings include the interest component of external loan repayments. It also includes borrowings from government agencies, i.e. Development Bank loans.
- Redemption payments on external borrowings include the redemption of the principle component of external loans raised by the Municipality.
- With the implementation of GRAP, redemption payments (or loan principle payments) are a repayment of capital. For annuity loans, loan repayments need to be split into interest and principle components. The total cash outflow will be recorded in the cash flow statement. The interest component will still be shown as an expense while the principle component will be reflected in the balance sheet as a reduction in borrowings.

Municipal bonds will be treated similarly with interest reflected as an expense and any repayment shown as a reduction in debt and a cash outflow.

**17.4.5. Contributions to Capital Outlay**

This item normally shows the value of appropriations transferred out of the Operating Sections into the Capital Sections for use in capital expenditure. The details of the application of the funds will be in the capital budget and supporting documents. All capital expenditure, with a value of more than R1 but less than R1 000, should be financed from operating income (contribution to capital outlay) for the 2013/2014 financial period.

The classification of expenditure as "capital" should be based on the definitions contained in guidelines on the budget process. Expenditure is only capitalised if it is for the purposes of acquiring a new or replacement asset, changes the nature of an asset, extends the life of an asset, or increases the performance potential of the asset.

Expenditure that maintains the asset in good working order at the level of performance or useful life originally expected is not capital and is shown under the appropriate section for "Repairs and Maintenance".

In terms of GRAP, capital expenditure (depreciation, impairment, residual value changes, revaluation etc.) will be adjusted constantly to the value and effect of the asset cost in the statement of financial performance and value recorded in the statement of financial position. Currently, all capital expenditure with a value of more than R1 000 is recorded in the asset register at cost less depreciation only.

**17.4.6. Contributions towards Funds**

This expenditure group must contain all expenditure items involved in the instances where the Council makes contributions from operating income to certain funds, reserves or provisions. Only contributions determined by legislation and/or Council policy should be included in this section. Currently, the Council contributes towards the following funds:-

- Provision for Bad Debts;
- Bursary Fund;

Leave Reserve Fund; and

**18. Capital Budget**

The driving force behind the implementation of the Council's strategies is the IDP. In terms of the Local Government: Municipal Systems Amendment Act, 2003, Act No. 44 of 2003, the IDP process has to inform the municipal budget and the preparation of the capital budget is based on the capital development priorities approved in the IDP. The capital budget consists of the non-operational needs of the community. The procurement of assets, with a life span of more than one year can be classified as capital expenditure

**A Budget Related Resolutions**

# MSUKALIGWA MUNICIPALITY

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## CORPORATE SERVICES DEPARTMENT

### Certified Council Resolution

Council at its 8<sup>th</sup> Ordinary Council Meeting held on the 28 May 2013 under:

LM 372/05/2013

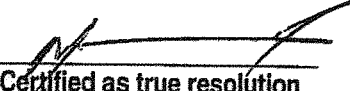
### A-31 REPORT ON THE FINAL BUDGET FOR 2013/2014 FINANCIAL YEAR- 5/1/ -2013/2014

#### RESOLVED AS FOLLOWS:

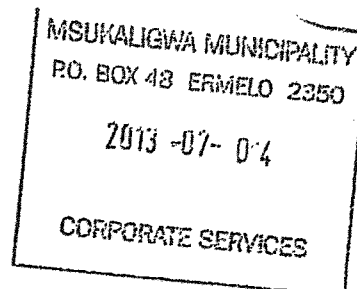
1. That Council **NOTED** the report of the Executive Mayor regarding the final budget for the 2013/2014 financial year and indicating for the two projected outer years 2013/2014-2014/2016,
2. That Council **APPROVED** the final annual budget for the financial year 2012/13 and indicative for the projected outer years 2013/2014 and 2014/2016 as set-out in the following schedule A1.
3. That the operating expenditure by GFS classification reflected in schedule A2 **APPROVED** by Council.
4. That Council **APPROVED** the operating revenue by GFS classification reflected in schedule A2 by Council.
5. That Council **APPROVED** the operating revenue by vote as reflected in schedule A3,
6. That Council **APPROVED** the operating expenditure y vote as reflected in schedule A4,
7. That Council **APPROVED** the operating revenue by source reflected in schedule A4,
8. That Council **APPROVED** the Capital revenue by source reflected in schedule A4,
9. That Council **APPROVED** the Capital expenditure by GFS classification reflected in schedule A5,
10. That the budget financial position as reflected in schedule A6 **APPROVED** by Council,
11. That Council **APPROVED** the budgeted cash flows as reflected in schedule A7,
12. That Council **APPROVED** cash backed reserves/accumulated surplus reconciliation as reflected in schedule A8,
13. That Council **APPROVED** the asset management as reflected in schedule A9,
14. That Council **APPROVED** the basic service delivery measurement as reflected in schedule A10,
15. That the final tariffs for 2013/2014 **APPROVED** for consultation as follows:
16. Tariff adjustments:



- (i) Assessment rates will be adjusted taking the new valuations into consideration with 5.6% increase.
  - (ii) Electricity tariffs with 8% from 1 July 2013 based on the 8% from Eskom application pending NERSA approval,
  - (iii) Water tariffs with 10% from 1 July 2013.
  - (iv) Sewerage tariffs with 10% from 1 July 2013.
  - (v) Refuse Tariffs with 10% from 1 July 2013.
  - (vi) Sundry income 10%.
17. That Council **APPROVED** the property rates and service charges adjustment,
18. That Council **NOTED** that the National Energy Regulator of South Africa (NERSA) still have **TO BE APPROVED** tariffs of Council as from 1 July 2013,
19. That Council **APPROVED** the over final facility with Standard Bank to the amount of R6,000,000.00 as well as the credit facility for purchase of vehicles to the amount of R2,000,000.00.
20. That Council **APPROVED** a loan facility of R5, 000,000 for purpose of revenue enhancement,
21. That Council **APPROVED** all any proposed amendments to the budget-related policies.
22. That the final MTREF budget **BE SUBMITTED** to District Council, National and Provincial Treasury for consulting in terms of section 23 of the MFMA,
23. That Council **NOTED** that the tariffs for rental facilities and by-laws will **BE REVIEWED** before the finalization of the final budget,
24. That Council **APPROVED** the recommendations of the Executive Mayor.
25. That no tenant account shall be opened with effect from 1 July 2013 only the Property owner **SHOULD BE RESPONSIBLE** for all services.

  
Certified as true resolution  
Director: Corporate Services  
Mr N.L. Maimela

2013-06-29  
Date



## 19. Executive Summary

The 2013/2014 budget preparation and IDP review process were conducted mainly in line with the legislative and regulatory frameworks prescribed by the Municipal Finance Management Act (MFMA), Municipal Systems Act (MSA) and National Treasury Guidelines. The format and contents of this budget document are in accordance with the guidelines contained in *MFMA Circular 28 and 51*, based on the new budget format of 1 April 2009.

The draft budget will be tabled in Council before 1 April 2013 after which it will be followed by an extensive **community consultation** and public participation process. The programme that was followed with the various public meetings held is included on page xx of the budget document. A number of key issues were raised during these public meetings and the Executive Mayor will formally respond to these issues as required by the MFMA.

The **strategic alignment** between national, provincial and district service delivery priorities was also a critical factor during the IDP review and budget preparation process. Alignment between Gert Sibande District Municipality, the Mpumalanga Provincial Government budget and budget guidelines 2013-2015 and the Msukaligwa Local Municipality were important considerations and inputs during the process.

The medium-term expenditure framework (MTEF) uses the National Development Plan (NDP) as a point of departure. The NDP sets out an integrated strategy for accelerating growth, eliminating poverty and reducing inequality by 2030. The NDP supported by the New Growth Path and other programmes provides a platform to look beyond the current constraints to the transformation imperatives over the next 20 to 30 years. The NDP emphasises the need to lower the cost of living for households and reduce the cost of doing business for small and emerging enterprise. These objectives need to take into account fiscal sustainability, which ensures that progress will not be interrupted or reversed. This will also entail shifting the composition of spending from consumption towards capital investment. Government already funds many of the programmes highlighted in the NDP. Road and rail infrastructure, for example, receive significant support over the three-year spending period and there will be major investments in public transport and human settlements. The economic competitiveness and support package will receive R14.9 billion over the spending period to give effect to various growth policies, including the New Growth Path and the Industrial Policy Action Plan. The Minister of Finance stated in his 2013 Budget Speech:

*"The NDP reminds us that South Africa needs to invest in a strong network of economic infrastructure designed to support the county's medium- and long-term economic and social objectives"*

In terms of **free and subsidised services** to indigents, the municipality has increased certain benefits for 2013/2014 in terms of the approved indigent policy. The following are the main benefits offered to registered indigents for which a threshold of a monthly household income of **R2550.00** has been set.

- Free electricity of 50kWh per household
- **6 kiloliters of free basic water ( For indigents only)**
- **Free Basic Sanitation**
- Free Basic Refuse removal

### 19.1. Tariff increases

Due to financial challenges the municipality could maintain **tariff increases** within the growth limits set by National Treasury since the municipality must provide services in a sustainable manner. The average tariff increases on electricity is 7%, assessment rates is 5.6% and all other tariffs have increased with an average of 10%.

Further information on proposed tariff increases, including sundry tariffs, are included on **Annexure C**

The majority of the **budget-related policies**, such as the inventory, investment of surplus funds and budget policies were developed, whilst indigent and tariff policies remain unchanged. However, the following policies we revised credit control and debt collection policy, supply chain management policy, asset management policy, petty policy, property rates, and cash and investment are recommended to council for approval. The revised policy is attached as **Annexure D**

In terms of the municipality's **financial strategy and position** own revenue constitute close to 76% of the total operating revenue of the municipality, whilst government grants and subsidies contribute on approximately 24% to total revenue. A summary of the operating and capital budget proposals over the medium-term, in terms of the attached budget schedules, is provided in the table

**FINAL BUDGET SUMMARY 2013/14**

**OPERATIONAL BUDGET**

DESCRIPTION	Budget 12/13	2013/2014	%	2014/2015	2015/2016	VARIANCE	DIFF
EMPLOYEE SALARIES & ALLOWANCES	98 565 448	115 695 563	20.9	122 864 451	129 856 424	17 130 115	17.38
SOCIAL CONTRIBUTIONS	23 877 864	27 568 114	5.0	29 056 395	30 536 764	3 690 250	15.45
EXCO COUNCILLORS	9 681 625	10 648 567	1.9	11 223 591	11 829 663	966 942	9.99
	132 124 937	153 912 244		163 144 437	172 222 851	21 787 307	16.49
							27.75
GENERAL EXPENSES IN DEPARTMENTS	41 049 305	53 792 195	9.7	55 798 995	58 799 342	12 742 890	31.04
GENERAL EXPENSES FINANCIAL SERVICE	10 730 792	11 191 833	2.0	11 796 196	12 433 186	461 041	4.30
GENERAL EXPENSES BULK PURCHASE	136 626 426	144 277 506	26.0	152 068 491	160 280 190	7 651 080	5.60
GENERAL EXPENSES - CONTRACTED SERVICE	31 447 781	31 533 930	5.7	32 145 003	33 826 995	86 149	0.27
LOSS ON SALE OF ASSETS	90	0	0.0	0	0	-90	-100.00
COLLECTON COSTS	300 000	316 800	0.1	333 907	351 938	16 800	5.60
TOTAL GENERAL EXPENSES	220 154 394	241 112 264		252 142 592	265 673 876	20 957 870	9.52
REPAIR & MAINTENANCE	20 001 519	27 229 840	4.9	27 605 354	29 049 478	7 228 321	36.14
INTER DEPARTMENTAL CHARGES	30 532 308	32 805 779	5.9	42 964 017	45 284 072	2 273 471	7.45
	402 813 158	455 060 127		485 856 400	512 230 277	52 246 969	12.97
DEPRECIATION	13 646 759	39 080 472	7.0	42 818 783	47 820 096	25 433 713	186.37
PROVISION FOR DEBT IMPAIRMENT	16 074 198	66 924 623	12.1	66 663 342	74 822 879	50 850 425	316.35
CONTRIBUTION FROM PROVISIONS	-6 120 000	-6 378 720	-1.1	-6 723 171	-7 086 222	-258 720	4.23
EXPENDITURE (GROSS)	428 414 115	554 686 502		588 615 354	627 787 030	128 531 107	29.47
AMOUNTS CHARGED OUT	-8 911 850	0		-9 917 598	-10 453 150	8 911 850	-100.00
EXPENDITURE (NETT)	419 502 265	554 686 502		578 697 756	617 333 880	137 442 957	32.22
LEVIED CHARGES	-262 826 000	-288 692 262	60.6	-306 085 224	-322 613 826	25 866 262	9.84
TARIFF CHARGES LEVIED	-1 497 073	-3 552 265	0.7	-3 744 087	-3 946 268	2 055 192	137.28
TARIFF CHARGES OTHER	-3 277 211	-2 781 473	0.6	-2 931 668	-3 089 979	-495 738	-15.13
GOVERNMENT GRANTS & SUBSIDIES OPERATIONAL EXPENDITURE	-109 421 026	-113 351 875	23.8	-118 462 655	-121 903 230	3 930 849	3.59

		-2 224 050	0.5	-2 344 149	-2 470 733	
PMU						
FINES	-513 700	-990 403	0.2	-1 043 886	-1 100 254	476 703
INTEREST	-10 789 158	-10 872 900	2.3	-11 460 037	-12 078 879	83 742
RENT FACILITIES AND EQUIPMENT	-1 930 893	-1 984 807	0.4	-2 090 808	-2 203 716	53 914
LICENCE & PERMITS	-2 270 000	-2 397 120	0.5	-2 526 564	-2 662 999	127 120
AGENCY SERVICES	-4 586 915	-4 843 782	1.0	-5 105 346	-5 381 035	256 867
PROFIT SALE OF ASSETS	-2 699 759	-10 075 000	2.1	-11 475 000	-16 375 000	7 375 241
OTHER INCOME	-1 977 896	-2 004 400	0.4	-2 100 515	-2 213 827	26 504
						1.34
INCOME FOREGONE	3 343 775	0	0.0	2 595 313	2 735 460	-3 343 775
						-100.00
DIRECT OPERATING INCOME GENERAL	-400 484 706	-443 770 337		-466 774 626	-493 304 286	36 412 881
						10.81
INTERNAL TRANSFERS	-21 534 030	-32 805 779	6.9	-33 011 206	-34 793 811	11 271 749
						52.34
TOTAL OPERATING INCOME	-422 018 736	-476 576 116		-499 785 832	-528 098 097	47 684 630
						12.93
INCOME STATEMENT						
TOTAL EXPENDITURE	419 502 265	554 686 502		578 697 756	617 333 880	137 442 957
						32.22
TOTAL OPERATING INCOME	-422 018 736	-476 576 116		-499 785 832	-528 098 097	47 684 630
						12.93
OPERATING SURPLUS/DEFICIT	-2 516 471	78 110 386		78 911 924	89 235 783	185 127 587
CAPITAL PROVISION IN OPERATIONAL	2 500 000	2 400 000		3 400 000	4 000 000	
SURPLUS/DEFICIT AFTER CAPITAL PROVISION	-16 471	80 510 386		82 311 924	93 235 783	
NON CASH - DEPRECIATION		39 080 472		42 818 783	47 820 096	
BUDGET DEFICIT CAUSED BY NON PAYMENT RATE 25%		39 029 914		36 093 141	41 415 687	
CURRENT NON-PAYMENT PROVISION		60 545 903		59 940 171	67 736 657	
IF CREDIT CONTROL AND PAYMENT RATE IS IMPROVED = BUDGET SURPLUS		-21 515 989		-23 847 030	-26 320 970	
CAPITAL BUDGET						
DESCRIPTION	Budget 12/13	13/14		14/15	15/16	VARIANCE
MIG -5%	38 358 150	42 256 950		46 655 450	49 995 650	3 898 800
INEG	751 000	21 571 000		15 000 000	20 000 000	20 820 000



TOTAL NATIONAL	54 009 150	63 827 950	61 655 450	69 995 650	24 718 800
DISTRICT MUNICIPALITY	18 114 496	15 550 000	20 160 000	21 249 000	-2 564 496
IN KIND-ESCOM	9 690 000	984 000	3 000 000	4 500 000	-8 706 000
REGINAL BULK	6 000 000	15 000 000	23 000 000	38 000 000	9 000 000
TOTAL OTHER GRANTS	33 804 496	31 534 000	33 804 496	33 804 496	-2 270 496
LOANS	2 000 000	2 000 000	2 000 000	2 000 000	0
OWN FUNDS	500 000	400 000	1 400 000	2 000 000	-100 000
CAPITAL TOTAL	90 313 646	97 761 950	98 859 946	107 800 146	

CAPITAL % OF BUDGET

18





The total revenue budget for the year is R455 060 127 whilst total expenditure budget is R554 686 502 and there is a deficit of R80 510 386. Operating revenue is R476 57616 and capital revenue is R97 761 950. Operating expenditure is R554 686 502 and capital expenditure is R97 761 950.

## 19.2. EXPLANATORY NOTES ON BUDGET

### 19.2.1. REVENUE COLLECTION ANALYSIS

#### 19.2.1.1. USER LEVIES CHARGES

User charges contribute 61% of the total revenue budget of which the main contributor is sale of electricity followed by assessment rates, water, sewerage, refuse removal.

#### 19.2.1.2. TARIFF CHARGES OTHER

The other tariff charges contribute 1% to total revenue collected.

#### 19.2.1.3. GOVERNMENT GRANTS AND SUBSIDIES

Operational government grants are contributing 24% to the total revenue budget whilst capital grants contribute 17%

#### 19.2.1.4. FINES

Fines contributed only 0.% to total revenue budget.

#### 19.2.1.5. INTEREST

Interest has contributed 2.3% to the total revenue budget.

#### 19.2.1.6. RENTAL FACILITIES AND EQUIPMENTS

This type of revenue contributed 0.4% to total revenue budget.

#### 19.2.1.7. LICENSES AND PERMITS

Revenue on these line items contributed only 0.5% to total revenue budget.

#### 19.2.1.8. AGENCY FEES

Agency services contribute 1.00% to total revenue budget.

#### 19.2.1.9. PROFIT ON SALE OF ASSETS

Profit on sale of assets contributed 2% of total revenue budget, of which the main contributor is sale of erven is the main contributor.

#### 19.2.1.10. OTHER INCOME

Other income contributed only 0.4% to total revenue budget.

#### 19.2.1.11. INTERNAL TRANSFERS

Internal transfers are standing at -7%.

## 19.3. Income

When determining the tariffs which must be charged for the supply of the four major services, the municipality shall identify all the costs of operation of the undertakings concerned, including specifically the following:

- Cost of bulk purchases in the case of water and electricity.
- Distribution costs.
- Distribution losses in the case of electricity and water.
- Depreciation expenses.
- Maintenance of infrastructure and other fixed assets.
- Administration and service costs, including:
  - service charges levied by other departments such as finance, human resources and legal services;
  - reasonable general overheads, such as the costs associated with the office of the municipal manager;
  - adequate contributions to the provisions for bad debts and obsolescence of stock;
  - all other ordinary operating expenses associated with the service concerned including, in the case of the electricity service, the cost of providing street lighting in the municipal area (note: the costs of

the democratic process in the municipality – that is, all expenses associated with the political structures of the municipality – shall form part of the expenses to be financed from property rates and general revenues, and shall not be included in the costing of the major services of the municipality).

That the property rates and service charges adjustment be approved in principle as follows:

1. Assessment rates will be adjusted taking the new valuations into consideration at a tariff of 5.6%
2. Electricity tariffs with 7% from 1 July 2013 based on the 7.% National Treasury guideline
3. Water tariffs with 10% from 1 July 2013
4. Sewerage tariffs with 10% from 1 July 2013
5. Refuse Tariffs with 10% from 1 July 2013
6. Sundry income 10%

#### 19.3.1. **General Expenditure**

The current cpi increase identified by National Treasury is approximately 5.6%. The general increases in the budget follow this guide but in certain cases the tariffs are increased in line with actual costs and out of this guideline increases. These items relate to maintenance, fuel, telephone and contracted in services. In order to cover actual costs the increase budgeted for is 5.6%.

#### 19.3.2. **Capital Expenditure**

All funds received from grants are budgeted for. Own contributions to capital is limited to the purchase of vehicles, equipment, computer equipment and purchase of land.

#### 19.3.3. **Categories**

Council should divide the capital budget between contractually committed projects, continually compelled projects and new projects.

- **Contractually Committed (Type A Projects)**

Contractually committed projects are those for which formal arrangements already exist.

- **Continually Compelled (Type B Projects)**

The main focus areas of the continually compelled projects are the strengthening and expansion of networks and the replacement or reconstruction of existing infrastructure. The Technical Department identify type B projects and the main focus is on the protection of the Municipality's assets. Examples of Type B projects are the replacement of worn out water and sewer networks. Any expenditure that simply ensures that the asset remains in good working order, retain its original characteristics of performance and useful life will be expensed in the operating budget. Type B projects represent projects that are necessary and executed to extend the life span of assets.

- **New Projects (Type C Projects)**

This category comprises of new projects of a capital nature for which the need has been identified through the IDP process.

#### 19.3.4. **Wages**

The wages agreement reached in 2009 has lapse so there will still be negotiations but National Treasury has approved a wage increase of CPI of 6.85%.

#### 19.3.5. **PERSONNEL COSTS**

Employee cost and councillors allowances against total expenditure budget is 28%. Employee costs contributed 26% and councillors allowances contributed 2%. Vacant posts budgeted R1 million due to financial challenges.

#### 19.3.6. **REPAIRS AND MAINTENANCE**

Repairs and maintenance budgeted expenditure is 5% of the total expenditure budget. According to MFMA circular 66, the municipality is suppose at least to budget 10% on repairs and maintenance, but due to cash flow constraints, the municipality managed to budget for only 5%.

**19.3.7. DEPRECIATION**

Depreciation contributed 7% of the total expenditure budget. Even though is not cash traction, provision must be made in terms of the GRAP accounting standards . Due to cash flow challenges it is difficult for the municipality to put aside an amount for capital replacement when assets are fully depreciation

**19.3.8. PROVISIONS**

Contribution to provisions is budget 11% of the total expenditure budget, of which the main contributor is debt impairment. Debt impairment was calculated on a the total expected billing and current collection rate of 73% at the time of preparing this draft budget. The debt impairment provision is to 27% of the expected billing, therefore, there is estimated to an amount of (R66 924 623).

**19.3.9. CAPITAL EXPENDITURE**

Capital budget is 18 % of the total expenditure budget

**19.3.10. EQUITABLE SHARE**

The municipality will receive an equitable share grant of R108 953 000

**19.3.11. MUNICIPAL INFRASTRUCTURE GRANT**

The municipality will receive R 44 481 000

**19.3.12. INTEGRATED ENERGY GRANT**

The municipality will receive an Integrated Energy Grant of R21 571 000.

**19.3.13. MUNICIPAL FINANCE MANAGEMENT GRANT**

The municipality will receive R 1 550 000 for Municipal Finance Management Grant.

**19.3.14. MUNICIPAL SYSTEMS IMPROVEMENT GRANT**

The municipality will receive R 890 000 of Municipal Systems Improvement Grant.

**19.3.15. ESKOM - INTEGRATED ENERGY GRANT**

The municipality will receive an in kind grant from the ESKOM of R 984 000.

**19.3.16. GERT SIBANDE DISTRICT**

The municipality will receive an in kind grant from the district of R 19 128 000. Note should be given that no formal confirmation is received from district. This is an estimated budget based on prior year allocation

**19.3.17. DWA – BULK WATER SUPPLY**

The municipality will receive an in kind grant from the Department of Water Affairs of R 15 000 000

**19.3.18. EXPANDED PUBLIC WORKS PROGRAMME**

The municipality will receive R 1 000 000 of Expanded Public Works programme.

**19.3.19. CASH FLOW ANALYSIS**

The municipality has short fall of 39 029 914. Should credit control improve, the municipality can have a budget surplus of R21 515 989.

**19.4. General**

The budget legislation as well as procedures was highlighted in the adjustment budget report. The budget is realigned to improve visible service delivery and to improve the ability to service the needs of the council to operate on a day to day basis.

The following sections deals with the individual votes as prescribed by the MFMA



MFMA Circulars 10 and 19 provide guidance on the steps in the annual budget process. Critical to the development of a credible budget are: the manner in which the strategic planning process is integrated; the input of policy directions; and consultation with the community and other stakeholders. This section will summarise:

- Political oversight and management of the budget process
  - Time schedule relating to the budget process
  - Process used to integrate the review of the IDP and preparation of the budget
- Process for tabling of budget and community consultations

#### 19.4.1. **Political oversight of the budget process**

The Mayoral Committee and Senior Management should convene a strategic planning session to discuss political and strategic priorities that would inform the IDP review and Budget preparation processes.

In regard to budget committees, the Portfolio Head for Finance, assisted by the various portfolio committees/heads and Mayoral Committee provided a political oversight role over the IDP review and Budget preparation processes.

Informal council meetings were also convened to discuss issues pertinent to the budget and to solicit views from councillors on such matters.

The Municipal Manager and Unit managers provided inputs into the process at various management meetings.

- Various public participation meetings with residents and ward committees on the annual revisions to IDP were held during the period September 2011 to October 2011. **Schedule of Key Deadlines relating to budget process [MFMA s 21(1)(b)]**

The following time schedule of key deadlines for the preparation of the budget and the annual review of the IDP for the 2013/2014 medium term period was tabled in Council in August 2012 and was approved by council accordingly.

The table below indicates the process that will be followed to compile the Budget and IDP review for 2012/13.

## **20. IDP REVIEW PROGRESS PLAN 2013/2014**

### **20.1. DEFINITIONS**

#### **20.1.1. SECTOR DEPARTMENT**

Sector Departments refer to all Government departments dealing with a certain expertise, e.g. Department of Agriculture or Department of Health.

#### **20.1.2. IDP STEERING COMMITTEE**

Legislatively established committee within the Municipality comprising of selected personnel per section within the municipal departments, tasked to scrutinize fine elements of the IDP process.

#### **20.1.3. IDP CHAMPION**

An IDP champion is an official who is the head of a section within a department in the Municipality and directly responsible for IDP process.

#### **20.1.4. STAKEHOLDERS**

Stakeholders are persons or organizations having interest in any activity/affairs of the Municipality. This includes government departments and the district municipality.

#### **20.1.5. INTRODUCTION**

In terms of Section 29 of the Local Government: Municipal Systems Act, 2000, each municipal council must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan. It is therefore the municipality's obligation to fully comply with the said legislation and ensure community and stakeholder participation throughout the planning process in order to realize the objectives of our IDP. This process will also ensure alignment to the District Framework in terms of Section 27 of the Local Government Municipal Systems Act, 2000.

#### **20.1.6. BACKGROUND**

The municipal Council has as per resolution **LM 1094/05/2011** adopted their Integrated Development Plan for 2012 – 2016. This Process plan is therefore set out in terms of Section 34 of the Local Government: Municipal Systems Act, 2000 to annually review the IDP as adopted by Council for the 2013/2014 financial year. The process plan forms the basis of Municipal Integrated Development Plan which must be aligned with district framework. The review process is therefore structured as follows:

- 20.1.6.1. Consultative meeting in a form of General/mass meeting will be conducted in all the Wards of Msukaligwa.
- 20.1.6.2. After the first exercise has been completed, Ward Development plans will be issued to each Ward Councillor.
- 20.1.6.3. These Ward Development Plans seek to solicit specific information from different Wards in terms of the needs of the inhabitants of that Ward.
- 20.1.6.4. It therefore becomes duty and function of the Ward Councillor and Ward Committee to co-ordinate the meeting of all role players/section groups e.g. Youth, organization, people, disability, traditional leaders, Civic organization etc. in that particular Ward to participate in completion of that Ward Development Plan.
- 20.1.6.5. There are other Wards that stretches from urban to rural areas of which the diversity is catered through Ward Development Plans that will be issued and completed to each Community as the needs differ.
- 20.1.6.6. After identification of projects and their prioritization, the Ward development plan will be submitted to the IDP office within a specified time frame.
- 20.1.6.7. The IDP office will consolidate the information and link the needs with various departments.
- 20.1.6.8. Institutional arrangements will be done for consolidation of provisional document in the form of IDP steering committee to prepare for the IDP Representative Forum which is chaired by the Honourable Executive Mayor.
- 20.1.6.9. The IDP Steering Committee meeting will then be convened by the IDP Office which is chaired by the Municipal Manager/IDP Manager. It is important to note that the IDP Steering Committee consist of:
  - All Directors from various departments and;
  - DP Champions who are Senior Officials in our Management as appointed from such departments.

- 20.1.7. Each and every department is having an obligation to ensure that all needs prioritized as projects and programmes and are linked to the budget.

- 20.1.8. It is also the duty of each and every Department to prepare business plan to various institutions in order to solicit funding for unfunded projects and programmes.
- 20.1.9. Projects and programs will therefore be confirmed or prioritize during the compilation of the Ward Development Plan
- 20.1.10. After the completion of the exercise, the Draft IDP will therefore be handed over to the Office of the Executive Mayor for scrutiny.
- 20.1.11. On acceptance of the draft document by the Executive Mayor, the draft will be presented to the IDP Representative Forum for inputs/comments, adoption and subsequent submission to Council for adoption.
- 20.1.12. On approval of the draft by Council, the draft will be made public for comment for a period of 21 days as dictated by legislation.
- 20.1.13. The IDP Representative Forum chaired by the Executive Mayor consisting of all role players e.g. business community, traditional leaders, political parties, Civic Structures, Religious Communities, NGO, CBO and rural Community etc. will then be convened after the expiry of 21 days of public comment of the document. It is in this meeting where various comments and inputs will be discussed and incorporated into the document.
- 20.1.14. The refined document with alterations made will again go back to the IDP office for finalization.
- 20.1.15. The final document will therefore be tabled in Council meeting for final adoption and implementation.
- 20.1.16. The adoption of the reviewed IDP document will be done before the adoption of the Budget because this is the document that informs the budget.
- 20.1.17. New proposal received after objection period of the document will be noted and be catered for during the following review.
- 20.1.18. Attached per **Annexure "C"** is Council resolution **LM 1094/05/2011** giving approval of the 2011-2012 IDP.

### **MSUKALIGWA LOCAL MUNICIPALITY**

The Municipality is a B category Municipality and consists of 19 wards. As a local Municipality, it is the sphere of government closer to people.

- **Municipal Council**  
The following are the roles of the Municipal Council in relation to the IDP:
  - Approval of the new or revised IDP.
  - Consideration and approval of the IDP process plan.
- **Executive Mayor and Mayoral Committee**  
The following are the roles of the Executive Mayor and Mayoral committee in the IDP:
  - Manage the drafting of the IDP and may assign such responsibilities to the Municipal Manager.
  - Monitoring and co-ordination of the IDP review process.
  - Submit draft and reviewed IDP to Council.
  - Co-ordinate and arrange sittings of the IDP Representative forum Meetings which are chaired by the Executive Mayor.
- **Municipal Manager/IDP Manager**  
The following are the roles of the Municipal Manager/IDP Manager in the IDP review process:
  - Management of the entire planning and implementation of the IDP processes.
  - Ensure participation of all role players in the planning process.
  - Preparation and drafting of the process plan.
  - Chairing of the IDP Steering committee meeting.
  - Ensure compliance and alignment of the planning process with legislative requirements.
  - Ensure that the IDP is linked to the performance management and that monitoring, evaluation and review processes are maintained.
- **IDP Steering Committee**  
The Committee is constituted by the Municipal Manager, IDP Manager, Directors and IDP Champions within the municipal departments. The following are the roles of the IDP Steering Committee:
  - Management of the IDP process plan.
  - Establish and provide terms of reference for the IDP Representative Forum.
  - Decide on roles and responsibilities.
  - Overall management including the appointment of technical consultants.
  - Consideration of inputs and comments from public and all other stakeholders.
  - Recommendation of service providers.
  - Ensuring that projects are captures in the IDP.



- **IDP Representative Forum**

The IDP Representative forum constitute the Executive Mayor as the chairperson, Councillors, Municipal Manager, all directors, community participation structures and any other stakeholders. The following are the roles of the IDP Representative Forum:

- Monitor implementation process of the IDP.
- Represent the interests of the inhabitants of Msukaligwa Municipality.
- Ensure dissemination of information to communities they represent and provide a platform for discussion, negotiation and decision-making between stakeholders and the municipality.

- **IDP TECHNICAL COMMITTEE**

The IDP technical committee will sit at least twice per annum at the Municipality and comprise of the Municipal manager, IDP manager, District IDP manger and Senior Officials from Provincial and National departments. It should be noted that the participating National departments will only be those performing certain functions within the District/Local municipality and do not have Provincial Department performing such functions. The following are the roles of the IDP Technical Committee:

- Considering programmes and projects that need to be aligned to the municipality's IDP.
- To ensure the integration of IDP policies, objectives, strategies and projects into daily functioning and planning of the municipality.
- Ensure dissemination of information from departments to the municipality and other relevant stakeholders.

#### **ROLE PLAYED BY RESPECTIVE STAKEHOLDERS**

<b>STRUCTURE</b>	<b>TERMS OF REFERENCE / ROLES &amp; RESPONSIBILITIES</b>
<b>Municipal Council</b>	<ul style="list-style-type: none"> <li>• The Municipal Council will have final say or comment and approval of the new/reviewed IDP.</li> <li>• Will consider the process plan which should set out the process for the development/review of the IDP.</li> <li>• A member of the committee or council to formally submit to the municipal council a proposal to amend the IDP and also give reasons why it should be amended</li> </ul>
<b>Executive Mayor and Mayoral Committee</b>	<p>The Mayoral Committee must:</p> <ul style="list-style-type: none"> <li>• Decide on the Process Plan for the development /review of the IDP.</li> <li>• Responsible for overall political direction of the IDP process, and may assign responsibilities to the Municipal Manager</li> <li>• Submit review IDP framework and draft IDP to Council.</li> <li>• Develop terms and criteria for Representative Forum.</li> <li>• Give political direction</li> </ul>
<b>Steering committee</b>	<ul style="list-style-type: none"> <li>• Provides terms of reference for the various planning activities</li> <li>• Manage draft action programme.</li> <li>• Commissions research studies or investigations.</li> <li>• Considers and comments on: <ul style="list-style-type: none"> <li>- Inputs from sub-committee/s, study teams and consultants</li> <li>- Analyse inputs from stakeholders</li> </ul> </li> <li>• This committee will include the following departmental heads / delegated officials: <ul style="list-style-type: none"> <li>- Finance</li> <li>- Corporate Services</li> <li>- Engineering Services</li> <li>- Public Safety</li> <li>- Community Services</li> <li>- Office of the Municipal Manager</li> </ul> </li> <li>• Participate in the designing of project proposals and/or assess them.</li> </ul>
<b>IDP Technical Committee</b>	<ul style="list-style-type: none"> <li>• Considers and comments on: <ul style="list-style-type: none"> <li>- Inputs from provincial sector departments and support providers</li> <li>- Analyse inputs from stakeholders</li> </ul> </li> <li>• Advising the IDP-RF on terms of reference for various Planning activities</li> <li>• Discuss the challenges encountered and recommend possible solutions</li> <li>• Ensure alignment regarding technical matters</li> <li>• Attend to the alignment of the Municipal IDP to sector and district programmes</li> <li>• Deliberate on inter-sectoral programmes and recommendations to the representative forum</li> </ul>



	<ul style="list-style-type: none"> <li>• Report on progress to be forwarded to the Steering Committee.</li> </ul>
<b>IDP Representative Forum</b>	<ul style="list-style-type: none"> <li>• The Executive Mayor or Representative chair the forum meeting.</li> <li>• Inform interest groups, communities and organizations, on relevant planning activities and their outcomes;</li> <li>• Analyze issues, determine priorities, negotiate and reach consensus;</li> <li>• Make recommendations on planning issues to the municipal council</li> </ul>
<b>Ward Committees</b>	<ul style="list-style-type: none"> <li>• Link the planning process to their constituencies and/or wards.</li> <li>• Be responsible for organizing public consultation and participation.</li> <li>• Ensure the annual business plans and municipal budget are linked to and based on the IDP.</li> </ul>
<b>District and Sector Departments</b>	<ul style="list-style-type: none"> <li>• To provide vital information and support during planning, evaluation and monitoring processes.</li> </ul>

- **2013/2014 IDP REVIEW PROCESS**

As required in terms of Section 29 of the Local Government: Municipal Systems Act, 2000, the following processes will be followed by the Municipality to review its IDP. The process plan which in terms of the said legislation, must be set in writing, will be approved by Council.

- **OVERVIEW OF IDP PHASES**

The Integrated Development Plan review process for the 2013/2014 consists of 5 (five) phases which programme is planned to commence in August 2012 and anticipated to be finalized at the end of May 2011. It should also be borne in mind that the final IDP must be adopted by Council 28 March 2013.

- **PHASE OF PREPARATION**

What need to be done in preparation to plan and consolidate Municipal process plan and District framework?

- **PHASE 1 (ONE) – ANALYSIS**

- what do we want to prepare for?
- Well understood priority issues.

- **PHASE 2 (TWO) – STRATEGIES**

- what benefits do we want to deliver and how do we get there?
- efficient and effective strategies

- **PHASE 3 (THREE) – PROJECTS PLANNING**

- what project details need to be defined to realize the strategies?
- Indicators and basic project implementation information.

- **PHASE 4 (FOUR) – INTERGRATION**

- It must be informed by our Inter-Governmental Relations (IGR)
- What do we need to manage to make it happen?
- Integrated management programmes and plan.

- **PHASE 5 (FIVE) – APPROVAL**

- Once satisfied, the IDP document is referred to Council for approval.

## **21. THE BUDGET COMPILATION PROCESS**

In terms of Section 21 of the Municipal Finance Management Act 56 of 2003, the Mayor of a municipality must coordinate the process for preparing the annual budget and for the reviewing of the Municipality's Integrated Development Plan and Budget related policies. Also from the provision of this section, the Mayor must at least ten months before the start of the budget year, table in the Municipal Council the time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget and annual review of the IDP in terms of section 34 of the Municipal Systems Act.

It is from the provisions of the said Acts that the following schedules were developed to provide a framework for the preparation of the budget and IDP processes:

### **21.1. Steps in the Preparation Process of the IDP and Budget**



STEP	PROCESS
1. Planning	Schedule key dates, establish consultation forums, review previous processes
2. Strategizing	Review IDP, set service delivery and objectives for next 3 years, consult on tariffs, indigent, credit control, free basic services, etc. and consider local, provincial and national issues, previous year's performance and current economic and demographic trends etc.
3. Preparing	Prepare budget, revenue and expenditure projections, draft budget policies, consult and consider local, provincial and national inputs or responses.
4. Tabling	Table draft budget, IDP and budget related policies before council consult and consider formal local, provincial and national inputs or responses.
5. Approving	Council approves budget and related policies.
6. Finalizing	Publish and approve SDBIP and annual performance agreements and indicators.

## 22. BUDGET CONSULTATIVE PROGRAMME

The Budget Consultative programme couldn't be attached to this Process Plan as it was not yet finalized. Thus the media will be used to publish the Budget Consultative Dates after the approval of such programme by the Speaker.

## 23. PUBLIC PARTICIPATION

In terms of chapter 4 of Municipal Systems Act of 2000, a Municipality is required to conduct a public participation exercise and that such exercise must be included in the process plan and be made known to the community. In terms of Section 21(1)(a)(b)(c) of Municipal Systems Act of 2000, the Act stipulates that communication or notices by the municipality to the community must be done:-

- in the local newspaper or newspaper of its area;
- in a newspaper or newspapers circulating in its area and determined by the council as a newspaper of record; or
- by means of radio broadcasts covering the area of the Municipality;

In addition to the above prescribed manner of communication to the public, the municipality will use loud hailing and distribution of pamphlets in both English and local language (Zulu) as per **Annexure "E"**, page 33.

## 24. MECHANISMS AND PROCEDURES FOR ALIGNMENT

It is of critical importance that the Municipality should align its 2013/2014 IDP review process to ensure alignment of National, Provincial and District programmes. Alignment will therefore be done taking into consideration the National targets (state of the Nations address, state of the Province address, millennium targets and the Provincial growth and development strategy.

The inter-governmental relations shall be strengthened in terms of the Intergovernmental Relations Framework to ensure cascading of information from National to Local level. The District as well as the Provincial departments will therefore be required to provide assistance to the municipality in compilation of outstanding sector plans in order to come up with a credible IDP.

## 25. BINDING LEGISLATION

The municipality shall at all times comply with all relevant legislative requirements during the whole process. See attached annexure listing all relevant legislation to be adhered to.

## 26. CONCLUSION

All Councillors, Municipal Manager, Directors and their respective department are required to comply with Msukaligwa Local Municipality process plan. The key role players should ensure that they are working within the set time

- **Process used to integrate the review of the IDP and preparation of the budget**  
The IDP Steering Committee consisting of key political office bearers and senior management ensured that issues relating to the IDP and budget preparation are managed and dealt through an integrated and holistic approach.

27. All IDP related matters having an impact on resource allocations and the budget in general are therefore handled more appropriately by the Steering Committee.

- **Process for tabling of budget and community consultations**  
In terms of section 24(1) of the MFMA, the mayor must table the annual budget at least 30 days before the start of the budget year.



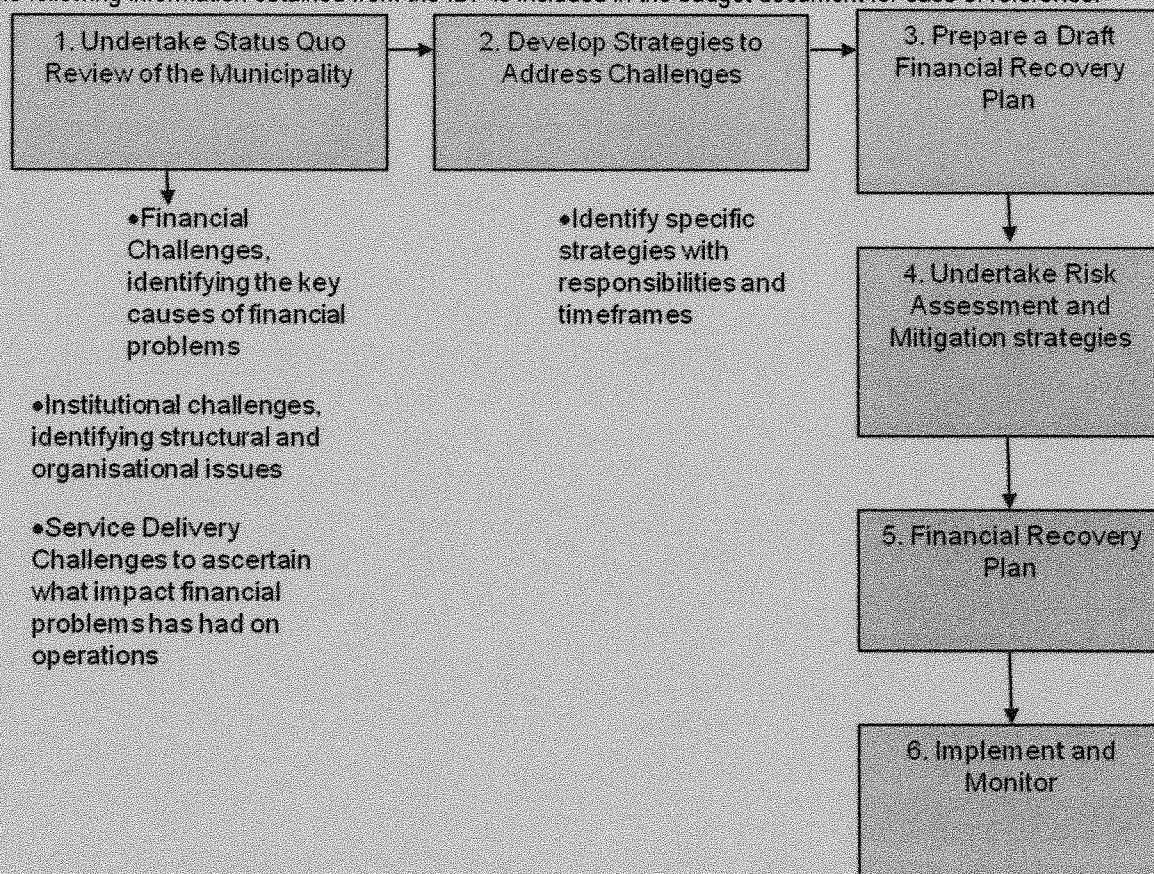
The draft 2013/2014 MTREF Budget of the municipality was be tabled on 28 March 2013.

The following table provides a clear illustration of the types of consultations, stakeholders involved, dates on which the various consultations took place and the respective venues.

### 27.1. Alignment of Budget with IDP

This section provides a good understanding of what is contained in the IDP and how that guides the allocations in the budget. The budget documentation provides a good high-level overview of the IDP and reference is being made to the detailed IDP documentation.

The following information obtained from the IDP is included in the budget document for ease of reference.



### 28. Budget Related Policies: Overview and Amendments

This section should provide a broad overview of the budget policy framework and highlight the amended policies to be approved by council resolution. No amendments are proposed to the following existing policies approved by Council.

#### 28.1. 2012/13 Medium Term Revenue and Expenditure Framework (MTREF) Policy Review

##### Budget related policies overview

##### Developed policies

- Enterprise Risk Management Policy
- Fraud prevention plan
- Insurance Policy
- Anti- Corruption Strategy

##### Reviewed policies

- Asset Management Policy
- Investment and Bank Management Policy
- Supply Chain Management Policy
- Credit control and debt collection policy
- Tariff Policy



- Indigent Policy
- Indigent and Pauper Burial Policy
- Property Rates Policy
- Budget policy
- Inventory Policy

## 28.2. FIXED ASSET POLICY AMEDEMEMENTS

No amendments have been made

## 28.3. INVESTMENT CASH MANAGEMENT POLICY

29. No amendments have been made

## 29.1. MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY

No amendments have been made

## 29.2. CREDIT CONTROL AND DEBT COLLECTION POLICY

- 1.1.1.1. If the consumer is unable to pay 50 % of the current account, an agreement can be made for the client afford to pay based on a 70/30 Principle where 70% must allocated to the combined arrear accounts and 30% towards prepaid electricity. Such an agreement is subjected to the individual estates and credit control section.

Amendment

- 1.1.1.2. If the consumer is unable to pay 50 % of the current account, an agreement can be made for the client afford to pay based on a 75/25 Principle where 75% must allocated to the combined arrear accounts and 25% towards prepaid electricity. Such an agreement is subjected to the individual estates and credit control section.

## 29.3. INDIGENT POLICY

No amendments have been made

## 29.4. PETTY CASH POLICY

No amendments have been made

## 29.5. PROPERTY RATES POLICY

No amendments have been made

## 29.6. Fiscal Overview and Source of Funding (Tariffs)

# INVESTMENTS & INTEREST

2012/2013

## INVESTMENTS

9000.00.1.15.4102

INSTITUTION	AMOUNT
<b>INVESTMENTS :July 2012</b>	
ABSA INVESTMENT 1 MONTH (2072537039)17/7-20/8	0.00
FNB BANK - INVESTMENT 2 MONTHS (74367199749)31/7-21/9	0.00
ABSA BANK - INVESTMENT 3 MONTHS (2072537047) 17/7-16/10	0.00
ABSA BANK - INVESTMENT 4 MONTHS (2072537055) 17/7-15/11	0.00

## INVESTMENTS: December 2012



NEDBANK - INVESTMENT 1 MONTHS (176000029) 20/12-20/01	0.00
STANDARD BANK - INVESTMENT 2 MONTHS (738887536-010) 20/12-20/2	0.00
INVESTEC BANK - INVESTMENT 2 MONTHS (30001683920)20/12-20/2	0.00
ABSA BANK - INVESTMENT 3 MONTHS(2072959687)20/12-20/03	0.00

**INVESTMENTS: January 2013**

ABSA BANK - INVESTMENT 1 MONTH (2073044899) 23/1-25/2	0.00
ABSA BANK - INVESTMENT 2 MONTH (2073044946) 23/1-25/3	0.00

STANDARD BANK - MARKET LINK	26 995
	830.48

STANDARD BANK – CALL	0.00
----------------------	------

PROJECT FUND	0.00
--------------	------

	26 995
<b>TOTAL INVESTMENTS</b>	<b>830.48</b>

**INTEREST**  
**1400.30.2.26.0735**

INSTITUTION	AMOUNT
ABSA INVESTMENT 1 MONTH (2072537039)17/7-20/8	25 849.32
FNB BANK - INVESTMENT 2 MONTHS (74367199749)31/7-21/9	47 816.87
ABSA BANK - INVESTMENT 3 MONTHS (2072537047) 17/7-16/10	70 556.16
ABSA BANK - INVESTMENT 4 MONTHS (2072537055) 17/7-15/11	94 810.96
NEDBANK - INVESTMENT 1 MONTHS (176000029) 20/12-20/01	44 712.33
STANDARD BANK - INVESTMENT 2 MONTHS (738887536-010) 20/12-20/2	42 465.75
INVESTEC BANK - INVESTMENT 2 MONTHS (30001683920)20/12-20/2	43 315.07
ABSA BANK - INVESTMENT 3 MONTHS(2072959687)20/12-20/03	62 323.29
ABSA BANK - INVESTMENT 1 MONTH (2073044899) 23/1-25/2	22 356.16
ABSA BANK - INVESTMENT 2 MONTH (2073044946) 23/1-25/3	42 328.77
<b>TOTAL INTEREST INVESTMENTS</b>	<b>496 534.68</b>
<b>TOTAL INTEREST MARKET LINK</b>	<b>214 105.19</b>
<b>TOTAL INTEREST CALL ACCOUNT - STANDARD</b>	<b>0.00</b>
<b>TOTAL INTEREST CURRENT ACCOUNT</b>	<b>162 298.24</b>
<b>TOTAL INTEREST</b>	<b>658 832.92</b>

**29.7. MUNICIPAL TARIFFS**

**29.7.1. Electricity**

**29.7.1.1. The increase on electricity tariffs is 8%**

NERSA has increased bulk purchases tariffs with 8% whilst National Treasury has approved a municipal increase of 8%. As per financial recovery plan the municipality is in serious financial crisis of which is unable to meet its commitments including that of Eskom. The municipality is required to provide services in a sustainable manner, thus the increase of 8%. Repairs and maintenance is serious



contributor to the increase due to the aged electricity network. Also we must take into account that 50kwh for free basic electricity for indigent must be taken into account since the amount of equitable share provided is not enough. An application has to be made to Treasury for the above the board increase.

In calculating the weighted average increase the following assumptions were considered:

- bulk purchases have been increased by 8% by NERSA to municipalities
- CPI of 5.6%
- Salary & wage increase of 6.85%
- Repairs and maintenance ,capital cost and other cost have been increased by CPI

Free basic electricity for indigent of 50kwh have been budgeted for

#### 29.7.1.2. **Water**

##### **The increase on Water tariffs is 10%**

In calculating the weighted average increase the following assumptions were considered:

- bulk purchases have been increased by 6.6% by DWA to municipalities
- CPI of 5.6%
- Salary & wage increase of 6.85%
- Repairs and maintenance ,capital cost and other cost have been increased by CPI

6kl free water will be given to only indigent households. This will be financed from the Equitable Share.

#### 29.7.1.3. **Sewerage Service**

The proposed tariff increase is an average of 10%. This is done in order to obtain a uniform to water tariff.

#### 29.7.1.4. **Emergency Services**

The emergency service tariffs have increases by 10 % (CPI).

#### 29.7.1.5. **Property Rates**

Property rates tariffs have increase by 5.6%,

#### 29.7.1.6. **Refuse Removal**

Property rates tariffs have increase by 10 %,

### 29.8. **Measurable Performance Objectives and SDBIP's**

It should be noted that the **Service Delivery and Budget Implementation Plan** (SDBIP) will be submitted to the Executive Mayor 14 days after the approval of the budget in accordance with section 69(3)(a) of the MFMA. The approval of the SDBIP by the Executive Mayor will be done as per the provisions of section 53(1)(c)(ii) of the MFMA, that is 28 days after the approval of the budget.

The SDBIP includes a summary of annual measurable performance objectives for votes (directorates). Annual performance objectives are converted into quarterly targets for the Service Delivery and Budget Implementation Plan (SDBIP) and will be audited in terms of the annual performance report required by the Systems Act (refer also to chapters 2 and 5 of the annual report as per MFMA circular 11).

### 29.9. **Disclosure on Implementation of MFMA**

This section provides disclosure regarding progress in implementing various related legislation including the MFMA and how this affects the budget and budget process.

### 29.10. **MFMA Implementation and Monitoring Checklist**

The municipality is generally complying for the majority of the implementation priorities as per the National Treasury implementation and monitoring checklist. This checklist is updated quarterly and submitted to National Treasury.

Below is a summary of progress against the plan.

No.	Implementation priority as per NT template	Progress
1	Preparing an implementation plan	100%
2	Allocating appropriate responsibilities under the MFMA to Accounting Officer	100%
3	Establishing a top (senior) management team	67%



4	Implementing appropriate controls over municipal bank accounts and cash management	100%
5	Meeting of financial commitments	30%
6	Reporting revenue and expenditure	85%
7	Supply chain management	75%
8	Implementing reforms in relation to municipal entities and long-term contracts	100%
9	Completing financial statements and advising National Treasury	100%
10	Completing and tabling annual report	100%
11	Complying with provisions for tender committees, boards of municipal entities and in relation to forbidden activities	100%
12	Complying with provisions for internal audit and audit committees	80%
13	Complying with provisions for budgets	100%
14	Information to be placed on website	100%

#### MFMA returns

All MFMA and DORA returns are submitted by the municipality as required monthly, quarterly and annually.

Name of return	Submitted to
<b>MONTHLY</b>	
Financial Management Grant	NT
Age Analysis Debtors (AD) and Creditors (AC), Cash Flow, Operating Statement Actuals (OSB)	NT
Section 71 Budget Statements	PT
Supply Chain Management	NT/PT
MIG returns	COGTA
Equitable Share	COGTA
<b>QUARTERLY</b>	
MFMA Implementation and monitoring checklist	NT
Municipal entities	NT
Public Private Partnerships	NT
Long-term contracts	NT
Borrowing	NT
<b>ANNUALLY</b>	
Appendix A	NT
Operating Statement Budget (OSB)	NT
New Budget Regulations 1 April 2009	NT/PT

#### 29.11. Audit units and audit committees

The internal audit unit has been established which prepares reports to the audit committee on a quarterly basis.

The municipality has an audit committee in place comprising of independent members as required by section 166 of the MFMA.

#### 29.12. Risk management

The municipality has a risk management unit and an anti- fraud and corruption management strategy plan is draft still to be tabled to council. Risk assessment was conducted for the current year and the process for the next financial year also done.

#### 29.13. Implementation of SCM

The new supply chain management policy of the municipality, in line with the MFMA and national treasury prescripts, was adopted by council in July 2005 and is reviewed annually

All bid committees as required by the SCM regulations are in place and the bid adjudication is chaired by the chief financial officer and operates within delegated powers.

#### 29.14. Effectiveness of audit steering committees

The audit steering committees is an ad-hoc committee established during the planning and execution of the annual audit.

The committee usually comprise of officials of the Municipality and the Auditor-General team performing the audit.



- 29.15. **Reduction of short-term debt**  
This regulation is not applicable to the municipality as overdraft facilities are managed within the context of section 45 of the MFMA relating to short-term debt.
- 29.16. **Tabling of section 52 reports**  
Section 52 reports are submitted to the council and also forwarded to provincial treasury on a quarterly basis. Further improvements will be made to the content and format to ensure enhanced compliance and quality.
- 29.17. **Delegations**  
All delegations are in place and council approved the generic financial delegations in November 2011.
- 29.18. **Performance agreements**  
The 2012/13 performance agreements of the municipal manager and directors were duly signed at the beginning of the first quarter of the financial year and other Managers as they were appointed. The new performance agreements for 2013/2014 will be finalised after the SDBIP has been approved.
- 29.19. **Implementation of GRAP/GAMAP**  
The municipality converted to the GRAP standards since 2005/06 financial year key challenges for implementation of GRAP/GAMAP requirements are reflected in the audit report.
- 29.20. **Development of accounting policies**  
Several accounting policies have been developed and currently in a process of review. The further development of accounting policies will be guided with exemptions as agreed with National Treasury on an annual basis.



## **ANNEXURE C1**

# **TARIFF STRUCTURE FOR THE LOCAL COUNCIL OF MSUKALIGWA**

## **CHARGES OF THE SUPPLY OF ELECTRICITY**

### **SUPPLY OF ELECTRICITY ON CONVENTIONAL AND PRE-PAID METERS TO RESIDENTIAL PROPERTIES, BUSINESS, INDUSTRY AND OTHER INSTITUTIONS SUPPLIED FROM THE MUNICIPAL DISTRIBUTION NETWORK**

Subject to the approval of the Electricity tariffs by the National Electricity Regulator, the Local Council of Msukaligwa adopted the following tariffs on Electricity consumption with effect on all accounts issued from **1 July 2013**, and for pre-paid meters as from **1 July 2013**.

1) Tariff applicable to private dwellings, flats permanently occupied Charitable Institutions, Churches, and Church Halls which are exclusively used for religious purposes and Church activities, as well as Sport clubs and the Show Society as from time to time approved in accordance with the Council's policy.

## RESIDENTIAL SUPPLY - CONVENTIONAL

### MSUKALIGWA MUNICIPALITY TARIFF DESIGN MODEL

#### **BASED ON ESKOM INCREASE**

**13.50%**

APPROVED TARIFF 2013 / 2014		Application 2012/2013	Approved 2013/2014	Increase (avg cost and rate)
<b>RESIDENTIAL CONVENTIONAL UP TO 20 AMP</b>				
Fixed Charge per month		0.00	0.00	8.00%
Energy Rate (c/kWh) (<=50kWh)		71.5	77.25	8.00%
Energy Rate (c/kWh) (51 - 350 kWh)		85.13	91.95	8.00%
Energy Rate (c/kWh) (351 - 600 kWh)		107.83	116.50	8.00%
Energy Rate (c/kWh) (>600 kWh)		123.72	133.60	8.00%
<b>RESIDENTIAL CONVENTIONAL ABOVE 20 AMP</b>				
Fixed charge per month		102.15	110.30	8.00%
Energy Rate (c/kWh) (<=50kWh)		75.50	81.55	8.00%
Energy Rate (c/kWh) (51 - 350 kWh)		85.13	91.95	8.00%
Energy Rate (c/kWh) (351 - 600 kWh)		107.83	116.45	8.00%
Energy Rate (c/kWh) (>600 kWh)		R 123.72	133.65	8.00%

<b><u>RESIDENTIAL SUPPLY PRE-PAID</u></b>									
	APPROVED TARIFF 2013/2015	Application 2012/2013	Approved 2013/2014	Increase (avg cost and rate)					
<b>RESIDENTIAL PRE-PAID UP TO 20 AMP</b>									
Fixed Charge per month									
Energy Rate (c/kWh) (<=50kWh)		71.50	77.20	8.00%					
Energy Rate (c/kWh) (51 - 350 kWh)		85.13	91.95	8.00%					
Energy Rate (c/kWh) (351 - 600 kWh)		107.83	116.45	8.00%					
Energy Rate (c/kWh) (>600 kWh)		123.72	116.65	8.00%					
<b>RESIDENTIAL PRE-PAID ABOVE 20 AMP</b>									
Fixed Charge per month		102.15	110.35	8.00%					
Energy Rate (c/kWh) (<=50kWh)		71.50	77.20	8.00%					
Energy Rate (c/kWh) (51 - 350 kWh)		85.13	91.95	8.00%					
Energy Rate (c/kWh) (351 - 600 kWh)		107.83	116.45	8.00%					
Energy Rate (c/kWh) (>600 kWh)		123.72	116.60	8.00%					

2. Tariff applicable to business premises, industrial and other KVA installations.

**KVA DEMAND METERS - BUSINESS, INDUSTRIAL AND OTHER KVA CONNECTIONS**

	APPROVED TARIFF 2013/2015	Application 2012/2013	Approved 2013/2014	Increase (avg cost and rate)
<b><u>INDUSTRIAL ETC. KVA DEMAND BASIC CHARGE</u></b>				
Fixed Charge per month		R 3,483.45	R 3,763.20	8.00%
Energy Rate (c/kWh)		51.08	55.20	8.00%
Maximum Demand Charge (R/Amp)		0.00	0.00	0%
Maximum Demand Charge (R/kVa)		R 147.55	R 159.35	8.00%

3. Tariff applicable to business premises with ampere meter installations

**AMPERE METERS - BUSINESS AND OTHER AMPERE CONNECTIONS**

	TARIFF 2013/2014	Application 2013/2014	Approved 2012/2013	Increase (avg cost and rate)
<b>BUSINESS FIXED AMP OR UP TO 20 AMP</b>				
Fixed Charge per month		0.00	0.00	
Energy Rate (c/kWh)		134.84	124.85	8.00%

	TARIFF 2013/2014	Application 2013/2014	Approved 2012/2013	Increase (avg cost and rate)
<b>BUSINESS (EL 103) ABOVE 20 AMP 3PHASE (INCLUDE DEMAND AMPERE METERS)</b>				
Fixed Charge per month		R 2,528.80	R 2,474.30	8.00%
Energy Rate (c/kWh)		79.81	78.10	8.00%

	TARIFF 2013/2014	Application 2013/2014	Approved 2012/2013	Increase (avg cost and rate)
<b>BUSINESS (EL 103) ABOVE 20 AMP</b>				
Fixed Charge per month		R 980.64	R 908.00	8.00%
Energy Rate (c/kWh)		85.81	79.45	8.00%

**DEPARTMENTAL SUPPLY - MUNICIPAL CONSUMPTION**

	TARIFF 2013/2014	Application 2013/2014	Approved 2012/2013	Increase (avg cost and rate)
<b>DEPARTMENTAL</b>				
Fixed Charge per month		0.00	0.00	
Energy Rate (c/kWh)		134.84	124.85	16.00%

## OTHER CHARGES - ELECTRICITY

Connection fees - New agreements  
Re-connection for default payment

### RESIDENTIAL

Re-connection for level 1 cut-off on illegal use of electricity  
Re-connection for level 2 cut-off on illegal use of electricity  
Re-connection for level 3 cut-off on illegal use of electricity  
Whistle blowing

### BUSINESS

Re-connection for level 1 cut-off on illegal use of electricity  
Re-connection for level 2 cut-off on illegal use of electricity  
Re-connection for level 3 cut-off on illegal use of electricity  
Whistle blowing

Cut-off notices issued to default consumers

Special readings

Final readings

Installation of pre-paid meters at existing residential connections

Testing of electricity meters - Single phase

Testing of electricity meters - 3 phase

Call-out : Office hours

Call-out: After hours

### Connection fees for new connections: (Fixed charge)

Single phase meter supply (exclude cost of meter)

Three phase meter supply (exclude cost of meter)

KVA Contribution

Low voltage KVA

High voltage KVA

2012/2013	2013/2014
R 72.80	(80.08)
R 246.40	(271.04)
R 1,405.00	(3000.00)
R 3,203.20	(6000.00)
R 5,174.40	(9000.00)
R 50.00	(300.00)
R 1,405.00	(6000.00)
R 3,203.20	(12000.00)
R 5,174.40	(18000.00)
R 50.00	(600.00)
R 56.00	(61.60)
R 123.20	(135.52)
R 123.20	(135.52)
R 1,176.00	(1293.60)
R 168.00	(184.80)
R 369.60	(135.52)
R 123.20	(135.52)
246.40	(271.04)
R 7,616.00	(8377.60)
R10 304.00	(9200.00)
R291.20/KVA	(320.32/KVA)
R134.40/KVA	(147.84/KVA)



## **DEPOSITS: ELECTRICITY AND WATER**

Domestic consumers - Houses and Flats

### **Business and other institutions**

Ampere installations

Up to 20 Amp

Up to 40 Amp

Up to 60 Amp

Up to 120 Amp 3 phase

Up to 240 Amp 3 phase

Demand Amp meters

(to be re-calculated after 3 months according average use).

KVA installations

(to be re-calculated after 3 months according average use.)

2013/2014	2012/2013
R 2,184.00	(2402.40)
R 2,352.00	(2587.20)
R 4,032.00	(4435.20)
R 6,048.00	(6652.80)
R12 768.00	(14 044.80)
R17 472.00	(19 219.20)
R17 472.00	(19 219.20)
R21 800.00	(23 980)

## **GENERAL**

1. All accounts delivered are payable before or on the 15th of the month following the date of levy.
2. Interest at the rate of 12% per annum will be levied on non-payment of charges due on the date of maturity.
3. All tariffs exclude V.A.T.

## **ANNEXURE C2**

### **TARIFF STRUCTURE FOR THE LOCAL COUNCIL OF MSUKALIGWA**

#### **WATER PROVISION**

#### **DATE OF IMPLEMENTATION - 1 JULY 2013**

The following proposed tariffs shall be applicable to the supply of water, per meter, to any consumer, per month or part thereof.

#### **DURING NORMAL AVAILABILITY OF WATER RESOURCES**

##### **Residential Consumers (Per living unit)**

Consumption from 1 to 6 Kilolitre

Consumption from 7 to 9 Kilolitre

Consumption from 10 to 12 Kilolitre

Consumption from 13 to 18 Kilolitre

Consumption from 19 to 25 Kilolitre

Consumption from 26 Kilolitres and more

Additional charges for exceeding 30 Kiloliters

Per reading period (approximately one month)

(Refer to abnormal low availability of water resources and conditions and related tariff adjustments)

<b>2013/2014</b>	<b>2012/2013</b>
R0.00 per Kl.	R0.00 per Kl.
R7.60 per Kl.	R6.89 per Kl
R8.70 per Kl.	R7.90 per Kl
R10.10 per Kl.	R9.18 per Kl
R11.95 per Kl.	R10.86 per Kl
R15.05 per Kl.	R13.66 per Kl
Not applicable	Not applicable

**Business and other institutions**

Consumption from 1 to 100 Kilolitre

Consumption from 101 Kilolitre and upwards

2013/2014	2012/2013
R10.05 per Kl.	R9.13 per Kl.
R10.85 per Kl.	R9.86 per Kl.

**DURING ABNORMAL LOW AVAILABILITY OF WATER / OWN RESOURCES OR OTHER CIRCUMSTANCES**

**(On recommendation from HOD Engineering and Finance / and / Approval from Municipal Manager / Date of implementation or withdrawal in writing / Notification to Council / Notice to public)**

**Residential Consumers and Schools( Per living unit)**

Consumption from 1 to 6 Kilolitre

Consumption from 7 to 9 Kilolitre

Consumption from 10 to 12 Kilolitre

Consumption from 13 to 18 Kilolitre

Consumption from 19 to 25 Kilolitre

Consumption from 26 Kilolitre to 100 kilolitre

Consumption from 101 kilolitre to 200 kilolitre

Above 201 the tariffs will be R24.15 plus 10%

2012/2013	USAGE	2013/2014	TOTAL COSTS
R 6.89	6	R0.00 per Kl.	R0.00 per Kl.
R 7.90	3	R7.60 per Kl.	R 22.74
R 9.18	3	R8.70 per Kl.	R 26.07
R 10.86	6	R10.10 per Kl.	R 60.60
R 21.95	7	R11.95 per Kl.	R 83.65
	75	R15.05 per Kl.	R 1,127.25
	100	R24.15 per Kl.	R 1,503.00
			R 2,823.31

**Business and Government Departments**

Consumption from 1 to 6 Kilolitre

Consumption from 7 - 9 Kilolitre

Consumption from 10 Kilolitre to 12 Kilolitre

Consumption from 13 Kilolitre to 18 Kilolitre

Consumption from 19 Kilolitre to 25 Kilolitre

Consumption from 26 Kilolitre to 100 Kilolitre

Consumption from 101 Kilolitre - 200 Kilolitre

Above 201 the tariffs will be R27.50 plus 10%

2012/2013	USAGE	2013/2014	TOTAL COSTS
	6	R10.05 per Kl.	R60.24 per Kl.
	3	R10.55 per Kl.	R31.62 per Kl.
	3	R11.10 per Kl.	R33.21 per Kl.
	6	R11.60 per Kl.	R69.72 per Kl.
	7	R14.50 per Kl.	R101.50 per Kl.
	75	R15.20 per Kl.	R1140.00 per Kl.
	100	R17.20 per Kl.	R1720.00 per Kl.
		27.50 per Kl.	R 3,156.29

**Abnormal Residential, Schools, Tariffs**

Consumption from 1 to 6 Kilolitre  
Consumption from 7 to 9 Kilolitre  
Consumption from 10 to 12 Kilolitre  
Consumption from 13 to 18 Kilolitre  
Consumption from 19 to 25 Kilolitre  
Consumption from 26 - 100 Kilolitre  
Consumption from 101 - 200 Kilolitre

Above 201 the tariffs will be R26.55 plus 10%

**Abnormal Business and Government Department Tariffs**

Consumption from 1 to 6 Kilolitre  
Consumption from 7 to 9 Kilolitre  
Consumption from 10 to 12 Kilolitre  
Consumption from 13 to 18 Kilolitre  
Consumption from 19 to 25 Kilolitre  
Consumption from 26 to 100 Kilolitre  
Consumption from 101 to 200 Kilolitre

Above 201 the tariffs will be R30.25 plus 10%

**TARIFF APPLICABLE TO MUNICIPAL CONSUMPTION - DEPARTMENTAL**

For every Kilolitre consumed for Municipal services per month (reading period)

6	R0.00 per Kl.	R0.00 per Kl.
3	R26.07 per Kl.	R8.70 per Kl.
3	R30.30 per Kl.	R10.10 per Kl.
6	R71.70 per Kl.	R11.95 per Kl.
7	R94.50 per Kl.	R13.50 per Kl.
75	R1811.25 per Kl.	R24.15 per Kl.
100	R2460.00 per Kl.	24.60 per Kl.
	R 4,493.82	
		R26.55 per Kl.
6	R69.48 per Kl.	R11.60 per Kl.
3	R36.48 per Kl.	R12.20 per Kl.
3	R38.31 per Kl.	R12.80 per Kl.
6	R80.46 per Kl.	R13.40 per Kl.
7	R106.61 per Kl.	R15.25 per Kl.
75	R1902.00 per Kl.	R25.40 per Kl.
100	R2663.00 per Kl.	R26.65 per Kl.
	R 4,896.34	
		R30.25 per Kl.
		R7.60 PER Kl.
		R6.89 per Kl.

### CONNECTION CHARGES

For the provision of a connection to the Council's water network, a fee shall be charged which shall include the costs of material, labour and transport, plus a surcharge of 10%. A deposit as assessed by the Town Engineer is payable in advance and work to be executed from the work order issued for such service.

After finalization, the work order must be signed off by engineering department and submitted to Finance for finalization of the charges according costs against the deposit paid.

Above 201 the tariffs will be R26.63 plus 10%.

### SUNDRY CHARGES

Connection fees for new consumer applicants  
(Pre-paid electricity connections)  
Re-connection fees for default payment  
Testing of water meters  
Call-out office hours  
Call-out after hours

### WATER DEPOSITS

Domestic consumers with pre-paid electricity

(May be re-calculated in terms of average consumption to cover two months levies)

### GENERAL

- 1 All accounts delivered are payable before or on the 15th of the month following the date of levy.
- 2 Interest at the rate of 12% per annum will be levied on non-payment of charges due on the date of maturity.
- 3 All tariffs exclude V.A.T.

2013/2014	2012/2013
R 86.25	R 78.40
R 271.05	R 246.40
R 184.80	R 168.00
R 135.50	R 123.20
R 271.05	R 246.40
R 394.25 minimum	R 358.40 minimum

## **ANNEXURE C3**

### **TARIFF STRUCTURE FOR THE LOCAL COUNCIL OF MSUKALIGWA**

#### **SEWERAGE SERVICES**

##### **DATE OF IMPLEMENTATION - 1 JULY 2013**

The following proposed tariffs shall be applicable on Sewerage services.

#### **PART A: AVAILABILITY CHARGES**

Every surveyed erf, portion of an erf, stand or lot which is, or, in the opinion of the Council, can be connected to the Council's sewers, shall be subject to an availability charge and the owners thereof shall pay to the Council the charges specified hereunder per month or part thereof.

##### **RESIDENTIAL - ALL AREAS IN MSUKALIGWA**

In respect of every surveyed erf, portion of an erf, stand or lot

##### **BUSINESS AND OTHER NON-RESIDENTIAL PROPERTIES**

##### **ERMELO**

##### **Businesses**

In respect of every surveyed erf, portion of an erf, stand or lot, with a total area of 3000 square meter or less.

In respect of every surveyed erf, portion of an erf, stand or lot, with a total area of 3000 square meter according to the following scale:

For the first 1500 square meter of the area of such erf, stand or lot.

For each succeeding 1500 square meter or portion

Thereof of the area of such erf, stand, or lot.

2013/2014	2012/2013
R 29.80	27.10
R 59.65	54.21
R 59.65	54.21
R 11.85	10.75

**Other**

**Hospitals, nursing and convalescent homes:**

Per each bed available for patients per month

Resident, calculated on the average number of persons in service during the

previous year

Per month

R 11.85

10.75

R 11.85

10.75

**Premises of the South African Transport services or other Government Departments**

**where no sewer exists along any boundary of such premises**

For each dwelling or flat per month

For each hostel, single quarters, prison block or other building for residential purposes, for every 20 residents or part thereof, calculated according the accommodation capacity of such buildings per month

For every 10 square meter or part thereof of each floor not for residential purposes and that is connected to the sewer per month

R 59.65

54.21

R 19.95

18.14

R 4.20

3.81

**Educational institutions and hostels conducted by educational institutions, situated**

**outside the surveyed area of Ermelo, where no sewer exists along any boundary of**

**such premises**

For every 20 pupil inmates, staff and servants, or part thereof, calculated on the accommodation capacity of such institution per month

R 19.95

18.14

**Sport clubs in regard to the terrain under their control**

Per club per month

R 39.90

36.29

**Premises of the agriculture society, or show society**

Per hectare or part thereof per month

R 23.55

21.39



## **PART B: ADDITIONAL CHARGES**

The charges specified below, shall be paid by the owners of the premises concerned, in addition to the charges specified under Part A in respect of premises connected to Council's sewer per month or part thereof: including

### **INCLUDE ALL AREAS OF MSUKALIGWA**

#### **Residential (Per living unit)**

Dwellings per month

Residential flats - per flat per month

Builders connection per month

#### **Boarding or lodging houses and staff accommodation**

For every 100 square meter or part thereof of the total area of each floor, including basement and outbuildings, per month

#### **Hotels, clubs and beerhalls**

For every 100 square meter or part thereof of the total area of each floor, including basement and outbuildings, per month.

#### **Hotels, clubs, beerhalls and business premises under the same roof**

For every 100 square meter of part thereof, of the total area at each floor, including basement and outbuildings available for hotel, club, or beer hall, per month

For every 100 square meter or part thereof of the total area at each floor, including basement

and outbuildings, available for business purposes, per month

Business premises, not otherwise classified, for every 100 square meter or part thereof of the total area at each floor, including basement and outbuildings, per month

#### **Commercial laundries, ice factories, mineral water works, factories, workshops, sawmills**

For every 100 square meter or part thereof, at each floor, including the basement and outbuildings available for business purposes per month

Commercial motor garages, for every 100 square meter or part thereof at each floor, including the basement and outbuildings, available for business purposes per month

	2013/2014	2012/2013
R 37.60		34.16
R 37.60		34.16
R 37.60		34.16
R 23.55		21.39
R 95.40		86.69
R 95.40		86.69
R 47.55		43.23
R 47.55		43.23
R 47.55		43.23
R 47.55		43.23
R 47.55		43.23

For every 100 square meter or part thereof at each floor, including basement and outbuildings available for business purposes, per month	2013/14 R 47.55	2012/2013 43.23
<b><u>Hospitals, nursing and convalescent homes</u></b>		
For each bed available for patients per month	R 12.95	11.75
For each staff member and servant, calculated on the average number or persons in service during the previous year, per month	R 12.95	11.75
<b><u>Gaol</u></b>		
For every 10 or part of 10 of the number of inmates, calculated on the accommodation capacity of such goal	R 79.10	71.90
<b><u>Churches, including non-revenue producing halls</u></b>		
For every 100 seats or part of 100 of the total seating capacity per month	R 19.95	18.14
<b><u>Government offices and departments</u></b>		
For every 100 square meter of part thereof of the total area at each floor, including the basement and outbuildings, per month	R 47.55	43.23
<b><u>Sportclubs in regard terrains under their control</u></b>		
Per club per month	R 39.90	36.29
<b><u>South African Transport services premises excluding dwellings and cottages and staff accommodation</u></b>		
For every 100 square meter or part thereof of the floor area at each floor of all buildings, per month	R 47.55	43.23
<b><u>Educational Institutions, excluding hostels</u></b>		
For every 20 persons comprising staff, servants and pupils/students, calculated on the accommodation capacity of such institution, per month	R 39.90	36.29
<b><u>Hostels and charitable homes</u></b>		
For every 20 persons or part of 20 comprising staff, servants and pupils/students, calculated on the accommodation capacity of such institution, per month	R 71.10	64.20

**Premises of agricultural society or show society**

Per water closet or urinal, per month

2013/14	2012/13
R 4.20	3.81
R 23.55	21.39

**Business premises used exclusively for storage purposes**

For every 100 square meter or part thereof of the total area at each floor, including the basement and outbuildings available for storage purposes, per month

**PART C - ADDITIONAL EFFLUENT CHARGES**

The owner or occupier of any premises or area who discharges any sewage into the Council's sewer, drain or drainage installation for processing at the Council's sewage treatment works, shall in addition to any other charges for which he/she may be liable in terms of this schedule pay to the Council a sewerage charge which shall be calculated in accordance with the following formula:

Where CSB loading is higher than the accepted average for the Greater Ermelo, an agreement must be reached with the consumer which percentage of effluent of the water bought will be applicable.

A: Calculatic  $K \times (CSB) 0.4$

B: Where K is calculated with the following formula:

Total running cost = Ermelo total effluent 2 Kilolitre x sum of (Chemical oxygen demand for Ermelo divided by 600)0.4

Plus Industrial effluent (% effluent) x Kilolitre x sum of (Chemical oxygen demand industrial divided by 600)0.4

600 mg/l = Average chemical oxygen demand for residential drainage water

**PART D - OTHER CHARGES**

**Suction of sewer traps and tanks**

Rendering of a private suction service at private concerns

Night Soil removals (if any)

2013/2014	2012/2013
R 697.45	634.04
R 48.40	44.02
R 522.40	474.88

**Sewer blockage fees**

Applicable where the municipality provide assistance on private property

### Connection fees

For the provision of a connection to the Council's sewer, a fee shall be charged which shall include the costs of material, labour and transport costs, plus a surcharge of 10%. A deposit as assessed by the Engineer is payable upfront.

### Municipal premises

For all municipal premises the following charges shall be payable:

For every water closet, pan or urinal installed in such premises

Per month

Rendering of a suction service at municipal concerns

2013/2014	2012/2013
R 13.10	11.87
R 697.45	634.04

## PART E - GENERAL

Should any dispute arise as to classification, the decision of the Council shall be final.

At educational institutions where the lecture/classrooms are situated on the same site as the hotels, the pupils/teachers living at the hostels and attending the class/lecture shall not be included in the school returns.

In cases where any charge is based upon numbers of persons or beds, the heads of the institution concerned shall furnish the Council with certified returns setting forth the information required for calculating such charges. Should any person or persons required to furnish a return in terms of these by-laws, fails to do so within 30 (thirty) days after having been called upon to do so by the Municipal Manager or other authorized officer, the Council shall have the right to make such charges as in circumstances appear to the Council to be reasonable.

Should any building be occupied in sections during construction, charges which apply in respect of such building, shall be made in proportion to the section(s) occupied.

All charges shall apply from the first of the month following upon that during which connection has been made to the Council's sewers.

Any premises which have not yet been connected to the Council's sewers shall be charged from the date upon which the Council, by written notice, required the connection to be made or from the date upon which connection is made, whichever is the earlier. The premises not connected by the date upon which the Council required the connection to be made shall be charged the usual fee for sanitary, vacuum or slopwater removal services rendered, in addition to applicable charges.

## **GENERAL**

- 1 All accounts delivered are payable before or on the 15th of the month following the date of levy.
- 2 Interest at the rate of 12% per annum will be levied on non-payment of charges due on the date of maturity.
- 3 All tariffs exclude V.A.T.

## ANNEXURE C4

### TARIFF STRUCTURE FOR THE LOCAL COUNCIL OF MSUKALIGWA

#### REFUSE REMOVAL

#### DATE OF IMPLEMENTATION - 1 JULY 2013

The following proposed tariffs shall be applicable on Refuse removal.

#### DOMESTIC REMOVAL

1 x Removal per week, per living unit

Dumping site disposal by agreement per household (External service provider)  
(This tariff is applicable where Council is not responsible for collection of refuse, but done by an external service provider.)

#### BUSINESS AND OTHER NON-DOMESTIC INSTITUTIONS

Daily removal on weekdays, excluding Churches:  
Churches

#### SUNDRY CHARGES

Selling of Refuse bins for domestic use:

*(To be purchased at Msukaligwa Municipality)*

Mass Containers - (Building or garden rubble)

2013/2014	2012/2013
R64.15 per month	58.30
R 8.75	7.95
R149.30 per month / bin R64.15 per month / bin	135.74 58.30
R258.70 (Exclude V.A.T)	235.20
R294.95 (Include V.A.T.)	268.13

One container - one removal

**Occasional Refuse Removal**

Per occasion - per refuse bin (household capacity)

(Temporary bins supplied by municipality to be returned - unreturned bins to be paid at selling price of refuse bin)

2013/2014	2012/2013
R 234.10	212.80
R 14.40	13.10

**Tariff applicable to Municipal departmental services**

The tariff applicable to domestic refuse removal

R64.15 per month	58.30
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**GENERAL**

- 1 All accounts delivered are payable before or on the 15th of the month following the date of levy.
- 2 Interest at the rate of 12% per annum will be levied on non-payment of charges due on the date of maturity.
- 3 All tariffs exclude V.A.T.

## ANNEXURE C5

### MSUKALIGWA MUNICIPALITY PROPERTY RATES

#### CATEGORIES OF PROPERTY AND RATES APPLICABLE TO EACH CATEGORY (PART 5) PER YEAR

##### Category

- Residential Properties
- Industrial Properties
- Business & Commercial Properties
- Farm Properties used for Agricultural purposes
- Farm Properties used for other Business & Commercial purposes
- Farm Properties used for Residential purposes
- Farm Properties used for purposes other than those specified above
- Farm Properties used for education (Schools)
- Farm Properties owned by State (Government)
- Farm Properties: Undeveloped
- Farm Properties not used for any purpose
- Small holdings used for Agricultural purposes
- Small holdings used for Residential purposes
- Small holdings used for Industrial purposes
- Small holdings used for Business & Commercial purposes
- Small holdings used for purposes other than those specified above
- State owned Properties: Residential
- State owned Properties: Business and other
- State owned Properties: Schools
- State owned Properties: Undeveloped
- Municipal Properties
- Municipal Properties: Residential Properties
- Municipal Properties: Business Properties

	Rate (Cent in the Rand)	
	2012/13	2013/14
RES	0.005508	0.005816
IND	0.016524	0.017449
BUS	0.016524	0.017449
FAR	0.001377	0.001454
AGB	0.016524	0.017449
AGR	0.001377	0.001454
AGO	0.001377	0.001454
AGS	ZERO	ZERO
AGG	0.001377	0.001454
AGU	0.016524	0.017449
AGN	0.005508	0.005816
SHA	0.001377	0.001454
SHR	0.001377	0.001454
SHI	0.016524	0.017449
SHB	0.016524	0.017449
SHO	0.001377	0.001454
GOR	0.005508	0.005816
GOB	0.001652	0.001745
GOS	0.005508	0.005816
GOU	0.016524	0.017449
MUN	ZERO	ZERO
MUR	ZERO	ZERO
MUB	ZERO	ZERO



- Municipal Properties: Industrial
- Municipal Properties: Undeveloped
- Municipal Properties: Used for purposes other than specified above
- Public Service Infrastructure
- Privately owned town serviced by the owner
- Formal settlements: all properties with a ratable value of up to R30 000 and informal settlements registered. (Above R30 000 the normal rate will apply for RES)
- Communal Land
- State Trust Land
- Protected Areas
- Properties on which national monuments are proclaimed
- Properties owned by public benefit organizations and used for any specific public benefit activities
- Properties used for Multiple purposes (See Section 9)
- Properties used for Mining purposes
- Properties used for Public Worship (Churches) Property registered in the name of and used primarily as a place of worship by a religious community, including an official residence
- Roads owned by private persons or institutions
- Schools owned by private persons or institutions
- Dams owned by private persons or institutions
- Sectional Schemes Residential
- Sectional Schemes Motor sheds
- Sectional Schemes Business
- Undeveloped properties (Vacant land)
- Unregistered Properties
- (Ext 18) Properties

MUI	ZERO	ZERO
MUU	ZERO	ZERO
MUO	ZERO	ZERO
PSI	ZERO	ZERO
POT	0.005508	0.005816
FOR	ZERO	ZERO
COM	ZERO	ZERO
STL	0.005508	0.005816
PRO	ZERO	ZERO
MON	0.005508	0.005816
PUB	0.005508	0.005816
MUP	ZERO	ZERO
MIN	0.016524	0.17449
WOR	ZERO	ZERO
PRR	0.005508	0.005816
SCP	0.005508	0.005816
DAP	0.005508	0.005816
SSR	0.005508	0.005816
SHD	0.005508	0.005816
SSB	0.016524	0.017449
UND	0.016524	0.017449
URP	ZERO	ZERO
NOM	ZERO	ZERO

## **EXEMPTIONS, REBATES AND REDUCTIONS ON RATES (PART 6)**

### **EXEMPTIONS**

- The first R15 000 of the market value of all residential properties and of all properties used for multiple purposes, provided one or more components of such properties are used for residential purposes, is exempt from the payment of rates in terms of Section 17(1)(h) of the Property Rates Act. (Paragraph 6.1.1)
- Properties identified in terms of paragraph 6.1.2 to 6.1.8 of this policy.

### **REBATES AND REDUCTIONS**

#### **INDIGENTS**

Indigents will be subsidized in accordance with the indigent policy adopted by Council and will not form part of a rebate in terms of the MPRA.

#### **PENSIONERS AND MEDICAL UNFIT APPLICANT (DISABLED)**

- Owners who qualify in terms of the criteria determined in this policy will be granted an additional rebate based on the tariff applicable on residential properties.
- The maximum income and rebate on each category of income for the 2012/2013 financial year are determined as follow:

Monthly household income	% Rebate
R0 to R2 560	100%
R2 561 to R3 000	80%
R3 001 to R3 500	60%
R3 501 to R4 000	40%
R4 001 to R4 500	20%

## **COMPULSARY PHASING IN OF RATES ON CERTAIN CATEGORIES**

Rates levied on newly ratable property must be phased in over a period of three or four years depending on the ownership and use (category) of such property in terms of section 21 of the Act, subject to subsection (5).

In terms of section 21 (1) (a) a rate levied on newly ratable property must be phased in over a period of three financial years:

- In the 2007/2008 financial year a rebate of 75%
- In the 2008/2009 financial year a rebate of 50%
- In the 2009/2010 financial year a rebate of 25%
- in the 2010/2011 financial year the rate will be payable without any rebate

Subsection (5) stipulates that the MEC for local government may, on written request by the municipality, extend for that municipality the phasing-in period referred to in subsection (1) (a), (b) or © to a period which together with the initial period does not exceed 6 financial years.

In terms of subsection (5) the MEC approved that the phasing in period for agriculture properties be extended to five years. Approval was obtained to further extend the phasing-in period to six years during 2009/2010 with the result of zero adjustment during that financial year.

- 1 In the 2007/2008 financial year a rebate of 100%
- 2 In the 2008/2009 financial year a rebate of 75%
- 3 In the 2009/2010 financial year a rebate of 75%
- 4 In the 2010/2011 financial year a rebate of 50%
- 5 In the 2011/2012 financial year a rebate of 25%
- 6 In the 2012/2013 financial year the rate will be payable without any rebate.

## **CHARGES FOR LODGING OF OBJECTIONS**

- 1 Lodge of objection with the Accounting Officer against any matter reflected in the General Valuation Roll, or Supplementary Valuation Roll - R246.40 (R224)

**ANNEXURE C6**

**MSUKALIGWA MUNICIPALITY**

**TARIFF: TENDER DOCUMENTS**

**DATE OF IMPLEMENTATION - 1 JULY 2013**

Applicable to all consumers or non-consumers

Item N Description	Present tariff excl. VAT 2012/2013	Proposed tariff excl. VAT 2013/2014	Proposed tariff incl. VAT
A Fees to obtain tender documents			
1 Tenders to the value exceeding R500 000.00	R 392.00	R 431.20	R 481.57
2 Tender to the value of R200 000.00 to R499 999.00	R 196.00	R 215.60	R 245.78
3 Official quotations to the value of R20 000.00 to R200 000.00	R 56.00	R 61.60	R 70.23

## **ANNEXURE C7**

### **REZONING - CONSOLIDATION - SUBDIVISION**

#### **DATE OF IMPLEMENTATION - 1 JULY 2013**

##### **AMENDMENT OF TARIFFS**

1 That in terms of section 56 and 92 of the Town-planning and Townships Ordinance, 1986 the fees payable for an application for consolidation and rezoning of an erf be amended as follows:

1.1 Rezoning 10% of the total value of the proposed development as per market related value.

1.1.1. For all applications received, which includes one single stand.

1.1.2. For all applications received, which includes more than one stand, if-

- (i) all the stands refer to the same landowner or application;
- (ii) all the properties are located within close proximity of each other, to the satisfaction of the town planner
- (iii) all the stands be rezoned to the same use zone within the same height zone;
- (iv) all the stands form part of one single development proposal

1.1.3. For all applications received in paragraph 1.1.2 an amount of R1232.00 (R1120.00) is payable per additional rezoning.

1.2 Consolidation: R2464.00 (R2240.00)

1.2.1 For all applications received, which includes one consolidation of two stands.

1.2.2. For all applications received, which includes more than one consolidation of a number of stands, if-

- (i) all the stands refer to the same landowner or applicant;
- (ii) all the properties are located within close proximity of each other, to the satisfaction of the town planner;
- (iii) all the stands form part of the single development proposal.

1.2.3. For all applications received in paragraph 1.2.2 an amount of R1232.00 (R1120.00) is payable per additional consolidation.



2 That in terms of section 6 (1) of Division of Land Ordinance, 1986, the fees payable for an application for subdivision be amended as follows:

2.1 Subdivision: R 2,464.00 ( 2 240.00 )

2.1.1 For all applications received which includes one stand

2.1.2 For all applications received which includes more than one stand, if-

(i) all the stands refer to the same applicant or landowner;

(ii) all the properties are located within close proximity of each other, to the satisfaction of the town planner,

(iii) all the stands form part of one single development proposal.

2.1.3 For all applications received in paragraph 2.1.2 an amount of R1232.00 (R1120.00) is payable for each additional erf.

## **ANNEXURE C8**

### **SPORT & RECREATION - SPORT-IN & STADIUMS**

#### **DATE OF IMPLEMENTATION - 1 JULY 2013**

The following rentals and charges shall be applicable on Sport facilities

<b>FACILITY STADIUM</b>	<b>CURRENT TARIFFS</b>	<b>PROPOSED TARIFFS FROM 1 JULY 2013</b>
A J SWANEPOEL STADIUM	RENTAL R436.80 LIGHTING R140.00 PER HOUR DEPOSIT R1120.00	RENTAL R480.00 LIGHTING R155.00 PER HOUR DEPOSIT R1230.00
MPUMALANGA STADIUM	RENTAL R190.40 LIGHTING R140.00 PER HOUR DEPOSIT R1120.00	RENTAL R210.00 LIGHTING R155.00 PER HOUR DEPOSIT R1235.00
SPORT-IN	RENTAL R235.20 DEPOSIT R784.00	RENTAL R260.00 DEPOSIT R865.00
SWIMMING POOL	ADMISSION FEE R11.20	ADMISSION FEE R12.00
SPORT-IN	ANNUAL LEASE TO CLUBS R 1,008.00 PERIOD OF 12 MONTHS R84.00 PER MONTH	ANNUAL LEASE TO CLUBS R1 110.00 PERIOD OF 12 MONTHS R92.40 PER MONTH
BOWLING GREEN	ANNUAL LEASE TO CLUB R 1,008.00 PERIOD OF 12 MONTHS	ANNUAL LEASE TO CLUB R 1,110.00 PERIOD OF 12 MONTHS

JUKSKEI CLUB	ANNUAL LEASE R 1,008.00 PERIOD OF 12 MONTHS	ANNUAL LEASE R 1,110.00 PERIOD OF 12 MONTHS
KORFBALL CLUB	ANNUAL LEASE R 1,008.00 PERIOD OF 12 MONTHS	ANNUAL LEASE R 1,110.00 PERIOD OF 12 MONTHS
TENNIS COURT	ANNUAL LEASE R 1,008.00 PERIOD OF 12 MONTHS	ANNUAL LEASE R 1,110.00 PERIOD OF 12 MONTHS
A J SWANEPOEL STADIUM RUGBY FIELDS AND SPORT FACILITIES	ANNUAL LEASE R 1,008.00 PERIOD OF 12 MONTHS	ANNUAL LEASE R 1,110.00 PERIOD OF 12 MONTHS

Where annual contracts are entered into with any institution for the lease of stadiums or sport fields, the institution shall be charged with a percentage of the departmental service charges applicable to such facility.

## ANNEXURE C9

### DEPARTMENT PUBLIC SAFETY

#### AMENDMENT OF TARIFFS FOR FIRE BRIGADE SERVICES

FEE PAYABLE TO THE SERVICE IN TERMS OF SECTION 10 OF THE FIRE BRIGADE SERVICE ACT, 1987 (ACT 99 OF 1987), FOR PROVIDING EMERGENCY SERVICES

1 The following tariffs shall be applicable on Fire Brigade Services (OPERATIONS)

COLUMN 1 SERVICE INSIDE MUNICIPAL AREA	CURRENT TARIFFS	PROPOSED TARIFFS 2013/2014
1 Basic call out fee	<p><b>TYPE OF VEHICLE</b></p> <p>(a) Light R 72.80</p> <p>(b) Medium R 173.60</p> <p>(c) Heavy R 352.80</p> <p>(d) Rescue R 112.00</p> <p>(e) Special R 296.80</p> <p>(f) Grass R 84.00</p>	<p><b>TYPE OF VEHICLE</b></p> <p>(a) Light R 80.00</p> <p>(b) Medium R 191.00</p> <p>(c) R 388.10</p> <p>(d) Rescue R 123.20</p> <p>(e) Special R 325.60</p> <p>(f) Grass R 92.40</p>
1 Use of vehicle / fire pumps / rescue equipment	<p><b>TYPE OF VEHICLE</b> <b>(Tariff per vehicle per hour or portion of an hour)</b></p> <p>(a) Light R 168.00</p> <p>(b) Medium R 425.60</p> <p>(c) Heavy R 498.40</p> <p>(d) Rescue R 257.60</p> <p>(e) Special R 588.00</p> <p>(f) Grass R 140.00</p>	<p><b>TYPE OF VEHICLE</b> <b>(Tariff per vehicle per hour or portion of an hour)</b></p> <p>(a) Light R 184.80</p> <p>(b) Medium R 467.50</p> <p>(c) Heavy R 548.25</p> <p>(d) Rescue R 283.40</p> <p>(e) Special R 646.80</p> <p>(f) Grass R 154.00</p>



1 Crew / Use of fire fighters	(Tariff per member per hour or portion of an hour) R 184.80	(Tariff per member per hour or portion of an hour) R 168.00
1 Water from municipal supplies	Cost price based on Council's previous financial year's figure as per financial statements	
2 Material / Foam / Hazmat equipment	The tariff that is levied is that of material used, at cost, plus an administration levy of 25% of the cost of such materials: Provided that if any materials for which the controlling authority has prescribed a tariff are used, such tariff will apply.	

COLUMN 2	CURRENT TARIFFS	PROPOSED TARIFFS FROM 1-Jul-13
2 Basic call out fee	The tariffs set out in this annexure, plus a surcharge of 50%, will be levied if the Service is used outside the area of jurisdiction	The tariffs set out in this annexure, plus a surcharge of 50%, will be levied if the service is used outside the area of jurisdiction
2 Use of vehicle / fire pumps / rescue equipment	The tariffs set out in this annexure, plus a surcharge of 50%, will be levied if the service is used outside the area of jurisdiction	The tariffs set out in this annexure, plus a surcharge of 50%, will be levied if the service is used outside the area of jurisdiction
2 Crew / Use of fire fighters	The tariffs set out in this annexure, plus a surcharge of 50%, will be levied if the service is used outside	The tariffs set out in this annexure, plus a surcharge of 50%, will be levied if the service is used outside

		the area of jurisdiction	the area of jurisdiction
2 Water from municipal supplies		Cost price based on Council's previous financial year's figures as per financial statements	Tariff determined for municipal use. (Departmental tariff)
3 Material / Foam / Hazmat equipment		The tariffs set out in this annexure, plus a surcharge of 50%, will be levied if the service is used outside the area of jurisdiction	The tariffs set out in this annexure, plus a surcharge of 50%, will be levied if the service is used outside the area of jurisdiction

#### 1.1 USE OF CREW MEMBERS

Tariff per member is for an hour or portion of an hour  
(Time is calculated from arrival up to departure)

#### 1.2 USE OF MATERIALS

The tariff that is levied is that of materials used, at cost, plus and administration levy of 25% of the cost of such materials: Provided that if any materials for which the controlling authority has prescribed a tariff are used, such tariff will apply.

#### 1.3 USE OF THE SERVICE OUTSIDE THE JURISDICTION OF THE CONTROLLING AUTHORITY

The tariffs set out in this annexure, plus a surcharge of 50%, will be levied if the Service is used outside the area of jurisdiction.

#### 1.4 REBATE

If the service is used for a building that is used exclusively for residential purposes, the Chief Fire Officer may, at his/her discretion, limit the total amount payable in respect of Column 1 and 2 above to a minimum of R2000.00.

2 The following tariffs shall be applicable on Fire Brigade Services (TRAINING)

COLUMN 3		CURRENT TARIFFS	PROPOSED TARIFFS FROM 1-Jul-13
<b>FIRE EXTINGUISHER TRAINING (8 HOURS)</b>			
1	Training per delegate at local fire station	R 436.80	R 480.50
2	Training per delegate not at fire station	R884.80 plus travelling cost determined by Council in accordance with the Department of Transport Tariffs	R973.28 plus travelling cost determined by Council in accordance with the Department of Transport Tariffs
COLUMN 4		CURRENT TARIFFS	PROPOSED TARIFFS FROM 1-Jul-13
<b>BASIC FIRE FIGHTING TRAINING (40 HOURS)</b>			
1	Training per delegate at local fire station	R 1,008.00	R 1,108.80
2	Training per delegate not at fire station	R1932.00 plus travelling cost determined by Council in accordance with the Department of Transport Tariffs	R2125.20 plus travelling cost determined by Council in accordance with the Department of Transport Tariffs

3 The following tariffs shall be applicable on Fire Brigade Services (STORAGE, USE AND HANDLING OF HAZARDOUS SUBSTANCES)

COLUMN 5		PROPOSED TARIFFS FROM 1-Jul-13	CURRENT TARIFFS
DESCRIPTION		Yearly	Yearly
1	Dry-cleaning room	R 320.30	R291.20 (each)
2	Mixing room	R 320.30	R291.20 (each)
3	Spray room	R 320.30	R291.20 (each)
4	Carbide store	R 320.30	R291.20 (each)
5	Liquid petroleum gas installations	R 320.30	R291.20 (each)
6	Group 1: Explosives - Fire works	R 271.05	R 246.40

7	Group II: Gas		
7	Not more than 600kg	R 271.05	R 246.40
7	600kg but not more than 9000kg	R 388.10	R 352.80
7	9000kg but not more than 100 000kg	R 646.80	R 588.00
7	Bulk Depot - more than 100 000kg	R 1,940.40	R 1,764.00
8	Group III: Flammable liquids		
8	Capacity up to and including 2.300 liters	R 271.05	R 246.40
8	Capacity from 2,301 liters to 4,500 liters	R 332.65	R 302.40
8	Capacity from 4,501 liters to 23,000 liters	R 455.85	R 414.40
8	Capacity from 23,001 liters to 100 000 liters	R 646.80	R 588.00
9	Capacity from 100 001 liters to 200 000 liters	R 776.20	R 705.60
9	Bulk Depot - more than 200 000 liters	R 1,940.60	R 1,764.00
9	Group IV Flammable solids		See point 8(5)
10	Group V: Oxidizing agents and organic peroxides		See point 8(5)
11	Group VI: Toxic / Infective substances		See point 8(5)
12	Group VII: Radio active		See point 8(5)
13	Group VIII: Corrosive / caustic substances		See point 8(5)
14	Group IX: Miscellaneous substances		See point 8(5)
15	Transfer of certificate of registration or permit	R 455.85	R 414.40
16	Duplicate document	616.00	R 560.00
17	Payment of yearly fees		
17	For the issue of every certificate of registration or permit the yearly charges shall be as prescribed in this schedule: Provided that if liability		



to pay charges arises on or after 01 July in a year, the charges payable shall be half the yearly charges.	
17	For the annual renewal of a certificate of registration or permit, the charges shall be as prescribed in this schedule.

4 The following tariffs shall be applicable on Fire Brigade Services on TARIFF OF CHARGES IN RESPECT OF INSPECTION OF VEHICLES TRANSPORTING HAZARDOUS SUBSTANCES

COLUMN 6 DESCRIPTION	PROPOSED TARIFFS FROM	CURRENT TARIFFS
	1-Jul-13 Yearly	Yearly
1 Road tank trailer	R 332.65	R 302.40
2 Motor vehicle, other than a road tank trailer, design to be used for the conveyance of hazardous substances in excess of the amount permitted	R 332.65	R 302.40
3 Any vehicle, other than a motor vehicle or a road tank trailer, design to be used for the conveyance of hazardous substances in excess of the amount permitted	R 332.65	R 302.40

5 The following tariffs shall be applicable on Fire Brigade Services on TARIFF OF CHARGES IN RESPECT OF FIRE PREVENTION INSPECTIONS CARRIED OUT ON PREMISES

COLUMN 7 DESCRIPTION	PROPOSED TARIFFS FROM	CURRENT TARIFFS
	1-Jul-13 Yearly	Yearly
1 Per Fire Prevention Inspection	R 308.00	R 280.00

6 The following tariffs shall be applicable on Fire Brigade Services on TARIFF OF CHARGES IN RESPECT OF APPLICATION FOR POPULATION CERTIFICATES ON PREMISES

COLUMN 8 DESCRIPTION	PROPOSED TARIFFS FROM	CURRENT TARIFFS
	1-Jul-13	

1	Population certificate	Yearly	Yearly
		R 616.00	R 560.00

**7 The following tariffs shall be applicable on Fire Brigade Services on TARIFF OF CHARGES IN RESPECT OF REGISTRATION TO INSTALL AND MAINTAIN FIRE FIGHTING EQUIPMENT**

COLUMN 9 DESCRIPTION		PROPOSED TARIFFS FROM 1-Jul-13 Yearly	CURRENT TARIFFS Yearly
1	Certificate to install and maintain fire fighting equipment	R 253.00	R 257.60

**8 GENERAL DIRECTIVES FOR THE PAYMENT OF THE ABOVE FEES**

- 1 All certificates of registration, certificates of fitness and/or spraying permits will be valid for twelve calendar months. A written application for the renewal of the certificate or permit must reach the Service at least one calendar month prior to the expiry thereof.
- 2 When application is made for registration, the appropriate application form, correctly completed in full, must be accompanied by the prescribed fees.
- 3 All the appropriate application forms are available from the Service and must be completed in full, where applicable, is duly signed.
- 4 If, for whatever reason, the Service rejects an application for any certificate of registration, certificate of fitness or any permit, the applicant must, within 14 days (excluding weekends and public holidays) of the date of rejection, take corrective steps to ensure that the document in question is issued at no additional cost, failing which the applicant must pay the prescribed fees again.
- 5 a. The tariff for premises that are liable for registration in respect of column 5 (point 9 to 14), or a combination of them, will be a single fee of R672.00, irrespective of the combination of items: Provided that such combination applies to one premises and is under the same control.

- b. If there are different divisions and/or affiliates within a business and/or company situated on the same premises but each division and/or affiliate is managed separately, each division and/or affiliate is liable to registration separately.

**9 EXEMPTION**

The fees payable in terms of the above are not applicable to property of the controlling authority, unless the property is leased.

**10 ADJUSTMENT IN FEES PAYABLE TO THE SERVICE AS CONTEMPLATED IN COLUMN 1 TO 9 OF THIS ANNEXURE**

The Service must ensure that all fees referred to in Column 1 to 9 of this annexure are adjusted to keep trend with inflation according to the consumer price index.

## **ANNEXURE C10**

### **PROVISION OF INFORMATION**

#### **DATE OF IMPLEMENTATION - 1 JULY 2013**

##### **PART I**

(Present charges in brackets)

##### **FEES IN RESPECT OF GUIDE**

- 1 The fee for a copy of the guide as contemplated is regulations 2(3) (b) and 3 (40) ( c ) for every photocopy of an A4 - size page or part thereof

##### **PART II**

##### **FEES IN RESPECT OF PUBLIC BODIES**

- 1 The fees for copy of the manual as contemplated in regulation 5 ( c ) for every photocopy of an A\$ - size page or part thereof
- 2 The fees for reproduction referred to in regulation 7 (1) are as follows:
  - a) For every photocopy of an A4 - size page or part thereof
  - b) For every printed copy of an A4-size page or part thereof held on a computer or in electronic or machine readable form
  - c) For a copy in a computer-readable form on
    - (i) Stiffy
    - (ii) Compact disc
  - d) (i) For a transcription of visual images, for an A4 - size page or part thereof

2012/13	2013/14
R 1.12	R 1.25
R 1.12	R 1.25
R 2.24	R 2.46
R 2.24	R 2.46
R 8.96	R 9.86
R 73.92	R 81.30
R 44.80	R 49.30



- (ii) For a copy of Visual images
- e) (i) For a transcription of an audio record, for an A4-size page or part thereof
- (ii) For a copy of an audio record
- 3 The request fee payable by every requester, other than a personal requester, referred to in regulation 7(2)
- 4 The access fees payable by a requester referred to in regulation 7(3) are as follows:
- 1 (a) For every photocopy of an A4-size page or part thereof
- (b) For every printed copy of an A4-size page or part thereof held on the computer or in electronic or machine readable form.
- (c) For a copy in a computer readable form on:
- (i) Stiffy
- (ii) Compact disc
- (d) (i) For a transcription of visual images for an A4-size page or part thereof
- (ii) For a copy of Visual images
- (e) (i) For a transcription of an audio record, for an A4-size page or part thereof
- (ii) For a copy of an audio record
- To research for and prepare the record for disclosure, for each hour or part of an hour, excluding the first hours, or part thereof

2012/2013	2013/2014
R 106.40	R 117.05
R 22.40	R 24.60
R 29.12	R 32.05
R 61.60	R 67.80
R 1.12	R 1.25
R 0.78	R 1.00
R 8.96	R 9.90
R 67.20	R 73.90
R 44.80	R 49.30
R 106.40	R 116.65
R 22.40	R 24.65
R 29.12	R 32.05
R 29.12	R 32.05

2 For purposes of section 22 (2) of the Act, the following applies:

- (a) Six hours as the hours to be exceeded before a deposit is payable: And
  - (b) One third of the access fee is payable as a deposit by the requester.
- 3 The actual postage is payable when a copy of a record must be posed to a requester.

### **PART III**

#### **FEES IN RESPECT OF PRIVATE BODIES**

1 The fee for a copy of the manual as contemplated in regulation 9(2) ( c ) is for every photocopy of an A4-size page or part thereof

2 Fees for reproduction referred to in regulation 11 (1) are as follows

- (a) For every photocopy of an A4-size page or part thereof:
- (b) For every printed copy of an A4-size page or part thereof held on the computer or in electronic or machine readable form.
- ( c ) For a copy in a computer readable form on-
  - (i) Stiffy
  - (ii) Compact disc
- (d) (i) For a transcription of visual images for an A4-size page or part thereof  
(ii) For a copy of Visual images
- (e) (i) For a transcription of an audio record, for an A4-size page or part thereof  
(ii) For a copy of an audio record

2012/2013	2013/2014
R 2.97	R 3.30
R 2.97	R 3.30
R 2.97	R 3.30
R 14.56	R 16.00
R 145.60	R 160.20
R 73.92	R 81.30
R 106.40	R 117.05
R 36.96	R 40.70
R 51.52	R 56.70

3 The request fee payable by a requester, other than a personal requester, referred to in regulation 11(2) is

4 The access payable by a requester referred to in regulation 11(3) are as follows:

- 1) a) For every photocopy of an A4-size page or part thereof
  - b) For every printed copy of an A4-size page or part thereof held on the computer or in electronic or machine readable form
  - c) For a copy in a computer readable form on-
    - (i) Stiffy
    - (ii) Compact disc
  - d) (i) For a transcription of visual images, for an A4-size page or part thereof
  - (ii) For a copy of Visual images
  - e) (i) For a transcription of an audio record, for an A4-size page or part thereof
  - (ii) For a copy of an audio record
  - f) To research for and prepare the record for disclosure, for each hour or part of an hour, excluding the first hours, reasonably required for such search and preparation.
- 2) For purpose of section 52(2) of the Act, the following applies:
    - b) Six hours as the hours to be exceeded before a deposit is payable and;
    - b) One third of the access fee is payable as a deposit by the requester.
  - 3) The actual postage is payable when a copy of a record must be posted to a requester

2012/2013	2013/2014
R 86.24	R 94.90
R 2.69	R 3.00
R 2.97	R 3.30
R 16.80	R 18.50
R 145.60	R 160.20
R 73.92	R 81.30
R 106.40	R 117.05
R 36.96	R 40.70
R 51.52	R 56.70
R 61.60	R 67.70

**PART IV**

**SUNDRY CHARGES**

Supply of duplicate accounts

Dishonored cheques referred from the bank:

**PROPERTY VALUATION INFORMATION**

Property valuation information per town:

Ermelo  
Wesselton  
Davel / Kwadela  
Breyten / Kwazanele  
Chrissiesmeer / Kwachibikhulu  
Lothair / Silindile  
Sheepmoor  
Warburton

**CERTIFICATES**

Valuation certificate  
Clearance certificate  
Supply of information to obtain clearance certificates  
Dead search information  
Copy of Title Deed  
Copy of Zoning Certificate

2013/2014	2012/2013
R 16.80	R 18.50
Applicable bank charges plus 10%	
R 308.00	R 280.00
R 308.00	R 280.00
R 92.40	R 84.00
R 184.80	R 168.00
R 61.60	R 56.00
R 92.40	R 84.00
R 61.60	R 56.00
R 61.60	R 56.00
R 36.70	R 33.40
R 36.70	R 33.40
R 49.28	R 44.80
R 73.92	R 67.20
R 123.20	R 112.00
R 123.20	R 112.00

**ANNEXURE C 11**

**MSUKALIGWA MUNICIPALITY**

**ENGINEERING SERVICES, PLAN COPIES & BUILDING PLANS**

**DATE OF IMPLEMENTATION - 1 JULY 2013**

**Plan copies**

**Paper copies**

A2  
A1  
A0

**GIS Spatial Information**

A4 Standard  
A3 Standard  
A1 Standard  
A0 Standard  
A4 Colour  
A3 Colour  
A1 Colour  
A0 Colour

**Durester copies**

A4  
A3

2013/14	2012/13
R 36.96	R 33.60
R 55.44	R 50.40
R 61.60	R 56.00
R 36.96	R 33.60
R 43.12	R 39.20
R 61.60	R 56.00
R 67.76	R 61.60
R 43.12	R 39.20
R 49.28	R 44.80
R 67.60	R 61.60
R 80.08	R 72.80
R 43.12	R 39.20
R 55.44	R 50.40



A2  
A1  
A0

Electronic Copies

CD Copy  
GIS Spatial Information

Private Work - Public Works

This is also applicable to repair work being done for Telkom

Paving  
Tar repairs  
Vehicle entrance

Charges for the approval of building plans

New buildings

The charges payable in respect of every building plan submitted for consideration in terms of Regulation A2 of the National Building Regulations, as well as for the issuing of a certificate of occupation in terms of Section 14 of the National Building Regulations, and Building Standards Act, Act 103 of 1977, shall be as follows:

2012/13      2013/14

- 1 The minimum charge payable in respect of any building plan, with the exemption of smaller building operations as implied in Section 13 of the National Building Regulations and Building Standards Act, Act 103 of 1977, is
- 2 For any 10 m<sup>2</sup> or part thereof of the building at the level of every floor:

For the first 1 000 m<sup>2</sup> of area

For the following 1000 m<sup>2</sup> of the area

For every part of the area exceeding the first 2 000 m<sup>2</sup>

R 67.60	R 61.60
R 98.56	R 89.60
R 160.16	R 145.60
R 30.80	R 28.00
R 49.28	R 44.80
R 154.00	R140.00/m <sup>2</sup>
R 154.00	R140.00/m <sup>2</sup>
R 289.52	R263.20/m <sup>2</sup>

R 268.80	R 295.70
R 28.00	R 30.80
R 28.00	R 30.80
R 22.40	R 24.65

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For the purpose of this item area means the overall superficial area of any new building at each floor level on the same terrain and includes the total plan area of verandahs, balconies over public streets, basements, intermediate levels and galleries.

Additions to existing buildings

Fees payable for:

	2012/13	2013/14
The inspection during the erection of the additions to the existing buildings, and the issuing of certificates of occupation in terms of the National Building Regulations and Building Standards Act, Act 103 of 1977, shall be calculated in terms of Part A item 1.1 with a minimum fee of	R 268.80	R 295.70

Alterations to existing buildings:

The inspection of plans, the inspection during the erection of alterations to the existing buildings, shall be calculated as follows:

	2012/13	2013/14
0,1% of the value (as calculated by the Building Control Officer of the alterations. The minimum fee payable is	R 268.80	R 295.70

Structural steelworks, reinforced concrete of structural woodwork

In additions to the charges payable in terms of item 1, a fee of per 10 m<sup>2</sup> of the area or reinforced concrete or structural woodwork is used for the main frame or as main structure parts of the building provided that a fee as proposed by the Building Control Officer be charged if only a part of the building is affected.

R 28.00	R 30.80
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Charges payable for the submission of preliminary plans en enquiries

New buildings

Additions to existing buildings  
Preliminary plans for enquiries  
Special buildings

R 168.00	R 184.80
R 168.00	R 184.80
R 168.00	R 184.80
R 168.00	R 184.80

Structural steelworks, reinforced concrete or structure work  
Approval in respect of small building operations  
Approval of drainage plans (minimum)  
Alterations of existing drains  
Issuing of certificate of occupation  
Charges considering of signs and hoardings  
Charges for each corrections on building plans

2012 13	2013 14
R 168.00	R 184.80
R 168.00	R 184.80
R 134.40	R 147.85
R 123.20	R 135.50
R 78.40	R 86.25
R 95.20	R 104.70
R 33.60	R 36.95

#### Tariff and installation inspection

Application for the approval of a building plan excluding those specified (which includes the inspection of a property) or each of the submission of a building plan (permit) including the inspection of a property -

R 257.60	R 283.35
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#### Charges for street projections

Verandah posts at street level (each)  
Ground floor verandahs per m<sup>2</sup> or part thereof  
First floor balconies per m<sup>2</sup> or part thereof  
Second and each higher floor balconies  
Bay windows per m<sup>2</sup> or part thereof  
Showcases per m<sup>2</sup> or part thereof  
Pavement lights  
All other projections below, at or above pavement level  
Charges for public building certificates  
Charges for streamers signs

R 22.40	R 24.65
R 5.60	R 6.15
R 5.60	R 6.15
R 5.60	R 6.15
R 44.80	R 49.30
R 56.00	R 61.60
R 44.80	R 49.30
R 44.80	R 49.30
R 100.80	R 110.90
R 78.40	R 86.25

(If Council is requested to erect the streamer the work shall be carried out at cost plus 10%

## **ANNEXURE C12**

### **MSUKALIGWA MUNICIPALITY**

### **CEMETARY TARIFFS**

**DATE OF IMPLEMENTATION - 1 JULY 2013**

#### **MSUKALIGWA RESIDENTS**

##### **PURCHASE OR RESERVATION OF A GRAVE**

Adult grave - single  
Adult grave - double  
Child grave - single  
Child grave - double  
Per niche - Ash placement in Niche

OPENING OF GRAVE  
CLOSING OF GRAVE

TRANSFERRING OF RESERVED GRAVE

OPENING AND CLOSING OF GRAVE AND TRANSFERRING BODY

MEMORIAL AND TOMBSTONE ERECTION

APPLICATION TO CHANGE THE DIMENSIONS OF GRAVE

<b><u>PROPOSED 2013/14</u></b>	<b><u>CURRENT 2012/13</u></b>
R 147.85	R 134.40
R 289.50	R 263.20
R 98.55	R 89.60
R 197.10	R 179.20
R 147.85	R 134.40
R 117.05	R 106.40
R 104.70	R 95.20
R 117.05	R 106.40
R 394.25	R 358.40
R 147.85	R 134.40
R 172.50	R 156.80

**RESIDENTS OUTSIDE MSUKALIGWA**

**PURCHASE OR RESERVATION OF A GRAVE**

Adult grave - single  
 Adult grave - double  
 Child grave - single  
 Child grave - double  
 Per niche - Ash placement in Niche

OPENING OF GRAVE  
 CLOSING OF GRAVE

TRANSFERRING OF RESERVED GRAVE

OPENING AND CLOSING OF GRAVE AND TRANSFERRING BODY

MEMORIAL AND TOMBSTONE ERECTION

APPLICATION TO CHANGE THE DIMENSIONS OF GRAVE

<b><u>PROPOSED 2013/14</u></b>	<b><u>CURRENT 2012/13</u></b>
R 289.50	R 263.20
R 572.90	R 520.80
R 154.00	R 140.00
R 301.85	R 274.40
R 289.50	R 263.20
R 363.45	R 330.40
R 264.90	R 240.80
R 172.50	R 156.80
R 418.90	R 380.80
R 103.30	R 184.80
R 203.30	R 184.80



## ANNEXCURE C13

DEPARTMENT CORPORATE SERVICES  
TARIFF TOWN HALLS AND OTHER HALLS  
IMPLEMENTATION DATE 2013/7/1

In the tariff of charges, unless the context otherwise indicates:-

"Morning" means from 07:00 to 11:59  
"Afternoon" means from 12:00 to 17:59  
"Evening" means from 18:00 to 24:00  
"Late night" means from 24:00 to 07:00

No.	DESCRIPTION	PROPOSED tariff excl. VAT 2013/2014	PRESENT tariff excl. VAT 2012/2013	PROPOSED tariff excl. VAT 2013/2014	PRESENT tariff excl. VAT 2012/2013	PROPOSED tariff excl. VAT 2013/2014	PRESENT tariff excl. VAT 2013/2014
		2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2013/2014
		Ermelo Town Hall A Facility		Wesselton, Cassimpark & Breyten Hall B Facility		Other halls C Facility	
A1	<b>BALLS AND DANCES</b>  During the evening until 24:00 During the evening until 01:00 During the late night until 07:00	R 550.00 R 680.00 R 680.00	R 436.80 R 560.00 R 560.00	R 350.00 R 380.00 R 750.00	R 212.80 R 280.00 R 638.40	R 250.00 R 300.00 R 350.00	R 100.80 R 140.00 R 179.20

DRAMATIC PERFORMANCES, CONCERT, NATIONAL GAMES AND FOLK DANCING		Ermelo Town Hall		Wesselton, Cassimpark & Breyten Hall		Other halls	
(a) PROFESSIONAL GROUPS							
For the first evening		R 451.00	R 347.20	R 350.00	R 212.80	R 120.00	R 67.20
For the second and subsequent evenings, per evening		R 350.00	R 179.20	R 250.00	R 100.80	R 80.00	R 39.20
During the afternoon		R 350.00	R 212.80	R 250.00	R 100.80	R 80.00	R 39.20
Late night		R 800.00	R 694.40	R 680.00	R 560.00	R 80.00	R 39.20
(b) LOCAL AMATEUR GROUPS							
For the first evening		R 180.00	R 140.00	R 120.00	R 67.20	R 590.00	R 492.80
For the second and subsequent evenings		R 120.00	R 67.20	R 80.00	R 39.20	R 80.00	R 39.20
During the afternoon		R 100.00	R 56.00	R 80.00	R 39.20	R 50.00	R 28.00
Late night		R 590.00	R 492.80	R 518.00	R 414.40	R 451.00	R 347.20
( c ) OTHER AMATEUR GROUPS							
For the first evening		R 451.00	R 347.20	R 350.00	R 212.80	R 120.00	R 67.20
For the second and subsequent evening, per evening		R 350.00	R 179.20	R 250.00	R 100.80	R 80.00	R 39.20
During the afternoon		R 350.00	R 212.80	R 250.00	R 100.80	R 80.00	R 39.20
Folk dancing practices during the evening		R 180.00	R 140.00	R 120.00	R 67.20	R 80.00	R 39.20

A3	<b><u>WEDDING AND OTHER RECEPTIONS, BIRTHDAY PARTIES AND OTHER FAMILY OR HOUSEHOLD ASSEMBLIES</u></b>	<b>Ermelo Town Hall</b>		<b>Wesselton, Cassimpark &amp; Breyten Hall</b>		<b>Other halls</b>	
		R 520.00	R 280.00	R 400.00	R 140.00	R 300.00	R 67.20
		R 600.00	R 414.40	R 460.00	R 212.80	R 380.00	R 100.80
		R 1,021.00	R 851.20	R 766.00	R 638.40	R 350.00	R 291.20
		R 926.00	R 772.80	R 672.00	R 560.00	R 336.00	R 280.00
		R 1,464.00	R 1,220.80	R 833.00	R 694.40	R 590.00	R 492.80
		R 1,021.00	R 851.20	R 672.00	R 560.00	R 336.00	R 280.00
A4	<b><u>BANQUETS AND LUNCHEONS</u></b>	<b>Ermelo Town Hall</b>		<b>Wesselton, Cassimpark &amp; Breyten Hall</b>		<b>Other halls</b>	
		R 520.00	R 280.00	R 400.00	R 140.00	R 300.00	R 67.20
		R 1,464.00	R 1,220.80	R 1,048.00	R 873.60	R 672.00	R 560.00
		R 1,639.00	R 1,366.40	R 1,182.00	R 985.60	R 833.00	R 694.40
A5	<b><u>BAZAARS</u></b>	<b>Ermelo Town Hall</b>		<b>Wesselton, Cassimpark &amp; Breyten Hall</b>		<b>Other halls</b>	
		R 460.00	R 212.80	R 400.00	R 140.00	R 300.00	R 67.20
		R 600.00	R 414.40	R 460.00	R 212.80	R 380.00	R 100.80
		R 520.00	R 280.00	R 480.00	R 140.00	R 380.00	R 67.20

A6

During the afternoon and evening	R 604.00	R 504.00	R 520.00	R 246.40	R 450.00	R 112.00
During the morning, afternoon and evening	R 728.00	R 560.00	R 540.00	R 280.00	R 440.00	R 140.00
<b><u>SHOWS, EXHIBITIONS, FLOWER SHOWS AND MANNEQUIN PARADE</u></b>	Ermelo Town Hall	Wesselton, Cassimpark & Breyten Hall	Other halls			
During the morning or afternoon	R 400.00	R 140.00	R 798.00	R 694.40	R 400.00	R 140.00
During the morning and afternoon	R 560.00	R 212.80	R 540.00	R 100.80	R 460.00	R 67.20
During the evening	R 560.00	R 280.00	R 540.00	R 123.20	R 540.00	R 100.80
During the afternoon and evening	R 620.00	R 280.00	R 590.00	R 140.00	R 590.00	R 140.00
During the morning, afternoon and evening	R 720.00	R 347.20	R 650.00	R 179.20	R 650.00	R 151.20
For continuous period of 24 hours and longer, for each 24 hours or part thereof	R 1,357.00	R 1,131.20	R 1,008.00	R 840.00	R 690.00	R 560.00
<b><u>SCHOOL CONCERTS, PRIZE-GIVINGS AND EISTEDDFODS</u></b>	Ermelo Town Hall	Wesselton, Cassimpark & Breyten Hall	Other halls			
During the morning or afternoon	R 180.00	R 140.00	R 120.00	R 67.20	R 80.00	R 39.20
During the morning and afternoon	R 336.00	R 280.00	R 180.00	R 140.00	R 120.00	R 67.20
During the evening	R 518.00	R 414.40	R 350.00	R 212.80	R 250.00	R 100.80
During the afternoon and evening	R 700.00	R 560.00	R 460.00	R 280.00	R 320.00	R 140.00
During the morning, afternoon and evening	R 833.00	R 694.40	R 520.00	R 347.20	R 390.00	R 179.20

A7

A8	Late night	R 1,357.00	R 1,131.20	R 1,008.00	R 840.00	R 672.00	R 560.00
	<u>CHURCH SERVICES AND SACRED CONCERTS</u>	Ermelo Town Hall	Wesselton, Cassimpark & Breyten Hall	Other halls			
	During the morning or afternoon	R 400.00	R 140.00	R 300.00	R 67.20	R 250.00	R 44.80
	During the evening	R 600.00	R 280.00	R 400.00	R 140.00	R 300.00	R 67.20
	Late night	R 1,010.00	R 1,131.20	R 750.00	R 840.00	R 500.00	R 560.00
A9	<u>CONFERENCES, CONGRESSES AND SYMPOSIA</u>	Ermelo Town Hall	Wesselton, Cassimpark & Breyten Hall	Other halls			
	During the morning or afternoon	R 390.00	R 212.80	R 350.00	R 179.20	R 120.00	R 67.20
	During the morning and afternoon	R 490.00	R 280.00	R 420.00	R 140.00	R 180.00	R 89.60
	During the evening	R 490.00	R 347.20	R 420.00	R 112.00	R 180.00	R 67.20
	During the afternoon and evening	R 630.00	R 492.80	R 510.00	R 212.80	R 350.00	R 112.00
A10	During the morning, afternoon and evening	R 800.00	R 694.40	R 620.00	R 347.20	R 450.00	R 212.80
	During late night	R 1,357.00	R 1,131.20	R 1,008.00	R 840.00	R 672.00	R 560.00
	<u>PARTY-POLITICAL MEETINGS</u>	Ermelo Town Hall	Wesselton, Cassimpark & Breyten Hall	Other halls			
	During the morning or afternoon	R 390.00	R 212.80	R 250.00	R 140.00	R 120.00	R 67.20
	During the evening	R 434.00	R 347.20	R 320.00	R 179.20	R 200.00	R 100.80
	During late night	R 1,244.30	R 1,131.20	R 924.00	R 840.00	R 400.00	R 212.80

A11	<u>BIOSCOPE AND FILM SHOWS</u>	Ermelo Town Hall		Wesselton, Cassimpark & Breyten Hall		Other halls	
	During the morning or afternoon	R 350.00	R 123.20	R 250.00	R 140.00	R 180.00	R 67.20
	During the morning and afternoon	R 420.00	R 212.80	R 320.00	R 212.80	R 250.00	R 100.80
	During the evening	R 520.00	R 347.20	R 420.00	R 347.20	R 350.00	R 280.00
A12	<u>CHRISTMAS TREE FUNCTIONS</u>	Ermelo Town Hall		Wesselton, Cassimpark & Breyten Hall		Other halls	
	During the morning or afternoon	R 416.00	R 347.20	R 215.00	R 179.20	R 336.00	R 280.00
	During the evening	R 497.00	R 414.40	R 260.00	R 212.80	R 416.00	R 347.20
	<u>BOXING AND WRESTLING TOURNAMENTS</u>	Ermelo Town Hall		Wesselton, Cassimpark & Breyten Hall		Other halls	
A14	<u>PROFESSIONAL GROUPS</u>						
	During the afternoon	R 490.00	R 392.00	R 434.00	R 347.20	R 350.00	R 280.00
	During the evening	R 518.00	R 414.40	R 434.00	R 347.20	R 350.00	R 280.00
	During the afternoon and evening	R 698.00	R 582.40	R 497.00	R 414.40	R 434.00	R 347.20
A15	<u>AMATEUR GROUPS</u>	Ermelo Town Hall		Wesselton, Cassimpark & Breyten Hall		Other halls	
	During the afternoon	R 219.00	R 190.40	R 193.00	R 168.00	R 154.00	R 134.40
	During the evening	R 244.00	R 212.80	R 206.00	R 179.20	R 167.00	R 145.60
	During the afternoon and evening	R 399.00	R 347.20	R 244.00	R 212.80	R 206.00	R 179.20



A16	<b><u>FUNCTIONS AND OTHER ENTERTAINMENTS NOT SPECIFIED ELSEWHERE</u></b>					<b>Ermelo Town Hall</b>		<b>Wesselton, Cassimpark &amp; Breyten Hall</b>		<b>Other halls</b>	
	During the morning or afternoon		R 244.00		R 212.80		R 161.00		R 140.00	R 129.00	R 112.00
	During the morning and afternoon		R 672.00		R 560.00		R 336.00		R 280.00	R 215.00	R 179.20
	During the evening		R 538.00		R 414.40		R 276.00		R 212.80	R 265.00	R 89.60
	During the afternoon and evening		R 766.00		R 638.40		R 590.00		R 492.80	R 308.00	R 257.60
	During the morning, afternoon and evening		R 1,008.00		R 840.00		R 766.00		R 638.40	R 350.00	R 280.00
	During the late night		R 1,357.00		R 1,131.20		R 1,008.00		R 840.00	R 672.00	R 560.00
A17	<b><u>REHEARSALS</u></b>					<b>Ermelo Town Hall</b>		<b>Wesselton, Cassimpark &amp; Breyten Hall</b>		<b>Other halls</b>	
	<b><u>DURING THE MORNING OR AFTERNOON</u></b>										
	Professional		R 214.00		R 179.20		R 168.00		R 140.00	R 80.00	R 67.20
	Amateur		R 168.00		R 140.00		R 134.00		R 112.00	R 53.00	R 44.80
	Educational, religious or charitable Institutions		R 168.00		R 140.00		R 80.00		R 67.20	R 53.00	R 44.80
	<b><u>DURING THE EVENINGS</u></b>										
	Professional		R 416.00		R 347.20		R 308.00		R 257.60	R 168.00	R 140.00
	Amateur		R 168.00		R 140.00		R 134.00		R 112.00	R 80.00	R 67.20
	Educational, religious or charitable Institutions		R 148.00		R 123.20		R 148.00		R 112.00	R 80.00	R 67.20

A18	<b><u>ENTRANCE HALL: CIVIC CENTRE</u></b>					
	<b><u>GENERAL PURPOSES</u></b>					
	During the morning or afternoon	R 154.00	R 140.00			
	During the morning and afternoon	R 308.00	R 280.00			
	During the evening	R 381.92	R 347.20			
	During the afternoon and evening	R 579.04	R 526.40			
	During the morning, afternoon and evening	R 702.24	R 638.40			
	For a continuous period of at least 24hours and longer, for each	924	R 840.00			
	24 hours or part thereof					
	B	<b><u>HIRE OF FURNITURE AND EQUIPMENT</u></b>				
<b>A REPAYABLE DEPOSIT IF THERE IS NO DAMAGE</b>						
<b><u>When furniture and equipment are hired to any organization, the following tariff will be charged: (These tariff exclude transportation)</u></b>						
Tables, per table		R 154.00	R 140.00	R 140.00		
Chairs, per chair		R 73.95	R 67.20	R 67.20		
Bain-Marie per unit		R 763.85	R 694.40	R 694.40		
Vilt per length per occasion		R 234.10	R 212.80	R 212.80		
Stage		R 246.40	R 224.00	R 224.00		

C1	<p><b><u>BAR RIGHTS (ONLY WHEN ALCOHOLIC LIQUOR IS SOLD)</u></b></p> <p>During the duration of any function</p>	R 616.00	R 560.00	R 381.90	R 347.20	R 381.20	R 347.20
C2	<p><b><u>BAR RIGHTS (ONLY WHEN NO ALCOHOLIC LIQUOR IS SOLD)</u></b></p> <p>During the duration of any function</p>	R 234.10	R 212.80	R 154.00	R 140.00	R 49.30	R 44.80
D	<b><u>PREPARATION OF HALLS</u></b>						
D1	<p><b><u>DURING THE MORNING AND AFTERNOON</u></b></p> <p><b>Balls, dances and professional groups, boxing and wrestling tournaments</b></p> <p>Wedding and other receptions, birthday parties and other family or household assemblies, Christmas tree functions, banquets, luncheons, bazaars, shows, exhibitions, flower shows and mannequin parades</p> <p>Educational, religious or charitable institutions or purposes</p> <p>All other reservations not specified elsewhere</p>	<p>2013/14</p> <p>R 155.00</p> <p>R 155.00</p> <p>R 155.00</p> <p>R 155.00</p> <p>R 197.12</p>	<p>2012/13</p> <p>R 140.00</p> <p>R 140.00</p> <p>R 140.00</p> <p>R 179.20</p>	<p>2013/14</p> <p>R 154.00</p> <p>R 123.20</p> <p>R 123.20</p> <p>R 147.84</p>	<p>2012/13</p> <p>R 140.00</p> <p>R 112.00</p> <p>R 112.00</p> <p>R 134.40</p>	<p>2013/14</p> <p>R 49.30</p> <p>R 49.30</p> <p>R 49.30</p> <p>R 123.20</p>	<p>2012/13</p> <p>R 44.80</p> <p>R 44.80</p> <p>R 44.80</p> <p>R 112</p>

D2	<u>DURING THE EVENING</u>	Ermelo Town Hall		Wesselton, Cassimpark & Breyten Hall		Other halls	
E	Balls, dances and professional groups, boxing and wrestling tournaments	R 154.00	R 140.00	R 123.20	R 112.00	R 49.28	R 44.80
	Educational, religious or charitable institutions	R 154.00	R 140.00	R 74.00	R 67.20	R 49.30	R 44.80
	Any other reservation not specified elsewhere	R 154.00	R 140.00	R 74.00	R 67.20	R 49.30	R 44.80
F	<u>CLEANING OF HALLS ON SUNDAYS AFTER FUNCTIONS</u>	2013/14	2012/2013	2013/14	2012/2013	2013/14	2012/2013
	When the halls are cleaned on Sundays after functions, a deposit is payable with the knowledge that an amount of R50.00 per hour will be deducted from the deposit, to the maximum of the deposit	R 1,232.00	R 1,120.00	R 616.00	R 560.00	R 308.00	R 280.00
F	<u>HIRE OF KITCHEN</u>	Ermelo Town Hall		Wesselton, Cassimpark & Breyten Hall		Other halls	
	If a portion of the kitchen is hired with any Hall	R 443.50	R 403.20	R 308.00	R 280.00	R 154.00	R 140.00
	If the kitchen as a whole is hired with any Hall	R 616.00	R 560.00	R 455.85	R 414.40	R 308.00	R 280.00

G	<u>DEPOSIT</u>	2013/14	2012/13	2013/2014	2012/13	2013/14	2012/13
	When a hall is hired for a ball, a dance, a wedding or any other reception, a deposit shall be payable to the Council, which deposit shall be retained by the Council if the said ball, dance, wedding or other reception is not terminated by the time specified on the application form	R 1,490.70	R 1,355.20	R 924.00	R 840.00	R 616.00	R 560.00
	If event is to take place during late night, additional deposit of:	R 763.85	R 694.40	R 455.85	R 414.40	R 308.00	R 280.00
H	PRACTISING OF INDOOR SPORT BY SPORT CLUBS						
	Per day	R 234.10	R 212.80				

## ANNEXURE C 14

### REPUBLIC PARK TARIFFS (CARAVAN PARK & RONDAVELS)

DATE OF IMPLEMENTATION - 1 JULY 2013

#### REPUBLIC PARK - TARIFFS

<u>Caravan and tent rates per day</u>	<u>Proposed Tariff</u>	<u>Present Tariff 2012/13</u>
With electricity	R 73.90	R 67.20
Without electricity	R 54.10	R 49.20
Day visitors	R 13.55	R 12.32
Overnight visitors	R 32.05	R 29.12
<u>Rondavels</u>		
Per day	R 118.30	R 107.52
Per week	R 510.05	R 463.68
Per month (SUROND)	R 1,047.20	R 952.00
Per month - Pensioners (Only state pension income) (SURONP)	R 326.50	R 296.80
<u>Linen</u>		
Maximum 7 days	R 29.60	R 26.88
<u>Breakage Deposit</u>	R 215.60	R 196.00





1. The first part of the document is a list of the names of the people who were present at the meeting. The names are listed in alphabetical order.

2. The second part of the document is a list of the topics that were discussed during the meeting. The topics are listed in alphabetical order.

3. The third part of the document is a list of the actions that were taken during the meeting. The actions are listed in alphabetical order.

4. The fourth part of the document is a list of the decisions that were made during the meeting. The decisions are listed in alphabetical order.

# ANNEXURE C 15

MSUKALIGWA MUNICIPALITY

RESIDENTIAL PROPERTIES

DATE OF IMPLEMENTATION - 1 JULY 2013

The following monthly rentals and charges shall be applicable on Residential Properties from the municipality

RESIDENTIAL PROPERTY	CURRENT TARIFFS	PROPOSED TARIFFS	
	MONTHLY RENTAL 1-Jul-12	FROM 1 JULY 2013 MONTHLY RENTAL	
PARATUS FLATS ERMELO (SUPERS) (Yearly escalation: 10%)	3 BEDROOM RENTAL	3 BEDROOM RENTAL R 3,327.50 R 3,660.25	
	2 BEDROOM RENTAL	2 BEDROOM RENTAL R 2,761.00 R3 037.10	
	RENTAL	R 71.50 R 78.65	
WESSELTON MNDENI HOSTEL HOSTEL UNITS (SUHOST)			
<u>MARTIENS PRINSLOO (BREYTEN)</u> FLATS BREYTEN 1. PENSIONERS (18) (SUMART) 1 BEDROOM (SUMAR1) BACHELORS (SUMARB) 2. PRIVATE 1 BEDROOM (SUMAR1) BACHELORS (SUMARB)	RENTAL	R 132.00 R 145.20	
		RENTAL	R 200.00
			R 145.00
		RENTAL	R 450.00
			R 300.00

**SUB-ECONOMIC HOUSES ERMELO  
(19) (SUSUBE)**

**TRANSNET HOUSING BREYTEN (SURAIL)  
(AGREEMENT WITH TRANSNET)**

Rental Deposit with new agreement: (DS1650)

- 1 Employees
- 2 Pensioners
- 3 Private

RENTAL	R 264.00	RENTAL	R 290.40
RENTAL	R 110.00	RENTAL	R 121.00
One month rental in advance	R 220.00 R 220.00	One month rental in advance	R 242.00 R 242.00

Key Deposit with new Agreement: (DS 1650)

- 1 Employees
- 2 Pensioners
- 3 Private

R 220.00	R 242.00
R 220.00	R 242.00
R 220.00	R 242.00
R 173.05	R 190.35

Rental Motorsheds:

Myburghkor (SU0821) Yearly Escalation 10% + VAT

Other Rentals:

Refer to Contract

Contracts must be signed with individuals renting residential property of Council.  
Rental exclude VAT and any consumer services

